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Stocks Soar on Wall Street

Budget Accord and Drop in Oil Prices Propel Rally

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices soared Monday amid hopes that the budget pact reached over the weekend will give the Federal Reserve leeway to lower U.S. interest rates and stimulate the flagging economy.

Wall Street also was encouraged by a sharp fall in the price of oil, which tumbled more than $2 a barrel as conciliatory talk from President Saddam Hussein of Iraq and President George Bush raised hopes for a peaceful solution to the Gulf crisis.

The Dow Jones industrial average soared 63.36 points to close at 2,515.84. Advances outnumbered declines by 1,192 to 432, and volume on the New York Stock Exchange was an active 202.21 million shares, compared with 201.04 million Friday.

"We're starting to see a little enthusiasm again," said Dennis Jarrett, chief market strategist at Kidder, Peabody & Co. "Certainly the market is suggesting in the short term that the pressure is to the upside."

Stock prices also soared on European markets earlier in the day.

Investors seized on indications that recent rises in oil prices and interest rates, which have driven stock prices sharply lower around the globe, might be reversed soon.

The $500 billion deficit-reduction agreement between the Bush administration and congressional leaders cheered investors who have been looking for action to slow the growth of the U.S. Treasury's massive borrowings.

"Regardless of whether people like or dislike the compromise, there is some feeling that an albatross has been removed from around the market's neck," said David H. Resler, chief economist at Nomura Securities International Inc.

The bond market reacted positively to the budget news, as well as a report showing that growth in the manufacturing economy slumped to an 8-year low. The Treasury's benchmark 30-year bond rose 18/32, or $5.63 per $1,000 face amount, lowering the yield to 8.89 percent from 8.94 percent on Friday.

The brighter prospects for lower rates sent the dollar tumbling by more than one pfennig and one yen on foreign exchange markets.

An apparent lessening of tensions in the Gulf sent oil prices plunging more than $2 a barrel in New York. (Page 11.)

President Hussein called for a dialogue on Sunday, while President Bush told the United Nations in a speech that he sought "a peaceful outcome" to the crisis.

The U.S. budget accord and lower oil prices also drove stock prices sharply higher across Europe.

In London, the Financial Times-Stock Exchange 100 index rose 40.6 points to 2,030.8 on thin volume.

Dealers reported strong buy orders in Frankfurt, where the main market index soared 6.4 percent. The 30-share DAX in-

See STOCKS, Page 12

Budget Politics: Bush's Edge

By David E. Rosenbaum
New York Times Service

WASHINGTON — It was an unhappy looking group that assembled in the Rose Garden to announce the budget deal. In the politics of the moment, the agreement does not give any of them, President George Bush or the congressional leaders, a winning hand.

A central question, though, is who will win

NEWS ANALYSIS

politically in the longer term. The answer may well be the president.

Already he is taking a pounding from his right flank for losing his fight for a capital gains tax cut and renouncing his "no new taxes" pledge to the tune of $134 billion over five years.

But Mr. Bush's eye was trained on prosperity and re-election two years from now. With the economy on the verge of recession and the markets unsettled by events in the Gulf, he chose to take his licks now rather than foster the economic chaos that would have resulted from a protracted fight with Congress, hoping that this will put him in a stronger position when he really needs it.

If the economy does slide into a recession, a fate that seems ever more likely with each new release of economic statistics, Mr. Bush will be in a position to deflect part of the blame to the Democrats. They are the ones, he can say, who prevented the economic stimulus that he argued would have come from the capital gains tax break he supported for so hard and so long.

That could be especially important if the economy is still weak as the 1992 election nears, since presidents are inevitably held responsible for the state of the economy.

And if the economy has improved significantly by 1992, a turnaround his economic advisers expect, Mr. Bush can assert that it was his determination to drive down the deficit that led interest rates to fall and the economy to rebound.

"On balance," said a Democratic senator, "this package is not helpful to Democrats politically. It helps resolve the fiscal disaster the Republicans

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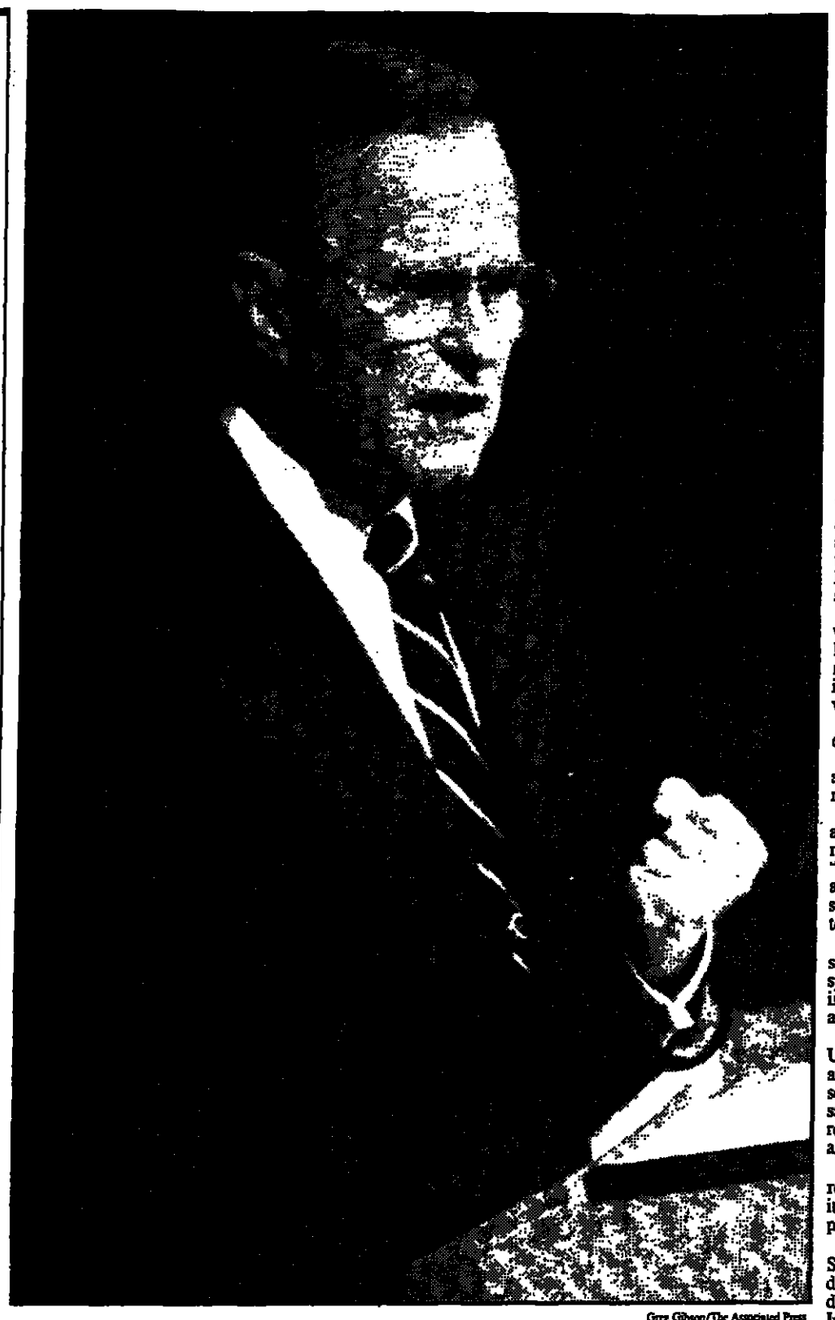

Greg Gibson/The Associated Press
President Bush as he condemned Iraq as a menace to peace in his UN speech on Monday.

Bush, at UN, Renews Call For Peaceful End to Crisis

By Lawrence Malkin
International Herald Tribune

UNITED NATIONS, New York — President George Bush condemned Iraq as an international menace in an address Monday to the United General Assembly, but he said he hoped for a peaceful settlement of the Gulf crisis.

Mr. Bush said that if Baghdad withdrew unconditionally from Kuwait, the political resolution of many of the region's problems — including Iraq's border dispute with Kuwait — might follow.

"We seek a peaceful outcome, a diplomatic outcome," he said.

Still, he was sharp in his denunciation of the Iraqi invasion and annexation of Kuwait.

"Iraq's unprovoked aggression is a throwback to another era, a dark relic from a dark time," he said. "The world's key task — now, first, and always — must be to demonstrate that aggression will not be tolerated or rewarded."

The United Nations has demonstrated unusual cohesion in responding to the Gulf crisis, including an international embargo against Iraq.

The president paid tribute to the United Nation's "historic unity and resolve" in the face of Iraq's seizure of Kuwait on Aug. 2 and said it showed the way to a larger role in shaping the new world order after the Cold War.

Mr. Bush said "the world was ready" to meet aggression with military force and now could use diplomacy to end the quarrel.

In the aftermath of President Saddam Hussein's appeal on Sunday for a dialogue among the Middle East nations, Mr. Bush said Iraq and Kuwait could settle their differences once Kuwait had regained its independence. He also held out the hope of a wider regional settlement.

So far, Western leaders have brushed aside the Iraqi call for talks because it did not include a withdrawal from Kuwait, which the Iraqi leader has repeatedly rejected.

U.S. diplomats said Mr. Bush's principal purpose in inserting a reference to negotiations was to strengthen the common front against Iraq when some allies have expressed concern over belligerent U.S. statements.

A diplomat said Mr. Bush's treatment of negotiations "was not addressed to Hussein but to the other Middle East nations and our European allies."

"When you come before a peace organization, you talk peace," the diplomat said.

Meanwhile, Prime Minister Margaret Thatcher of Britain proposed tightening the economic pressure on Iraq by exacting reparations before any settlement is reached.

British officials said that in talks with Mr. Bush and Sheikh Jaber al Ahmad as Sabah, the emir of Kuwait, Mrs. Thatcher proposed that the Security Council authorize the confiscation of Iraq's frozen assets abroad. Eight Security Council resolutions have given legitimacy to the blockade of Iraq and the huge troop movement supporting it.

The Iraqi assets, she said, would

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Crisis in the Gulf

Iraq frees 9 Frenchmen seized as human shields.

A terrorism expert says guerrillas may attack a U.S. target.
Articles, Page 7

Kiosk

General LeMay Is Dead at 83

RIVERSIDE, California (Reuters) — Curtis LeMay, 83, the air force general who relayed the orders to drop nuclear bombs on Hiroshima and Nagasaki and who later advocated that North Vietnam "be bombed back to the Stone Age," died of a heart attack here Monday.

Nicknamed the Iron Eagle, he also commanded the Strategic Air Command, was air force chief of staff and ran for vice president on George C. Wallace's 1968 ticket.

General LeMay said nuclear bombings were unnecessary to force Japan's surrender in World War II. "We felt our incendiary bombings had been so successful that Japan would collapse before we invaded," he said in 1985. "We dropped the bombs because President Truman told me to do it."

He supported using nuclear weapons if China entered the Vietnam War. Before the huge U.S. military involvement began in 1965, he said North Vietnam should "be bombed back to the Stone Age."

General News

U.S. Supreme Court will review labor bias abroad. Page 3.

Patrick White, the Australian novelist, died. Page 3.

The politics of race revives in Louisiana with the candidacy of an ex-Klan leader. Page 3.

Serbs in Croatia blocked roads and rail lines. Page 6.

The Indian High Court postponed the plan to give more jobs to lower castes. Page 8.

The search for 11th Panchen Lama in Tibet is a political, and religious, exercise. Page 8.

Style

Burberry is designing clothes for Britain's younger royals, William and Harry. Page 9.

Business / Finance

The U.S. and the EC made a breakthrough in talks on aircraft subsidies. Page 11.

Manufacturing growth slumped in the United States. Page 11.

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Dow Close
Up 63.36
2,515.84

The Dollar
In New York

DM	1.5585
Pound	1.883
Yen	136.70
FF	5.2215

U.S. and France Deny Rift Is Opening in Policy Toward Iraq

By Joseph Fitchett
International Herald Tribune

PARIS — The United States and France sought Monday to show President Saddam Hussein of Iraq that he would not find any political soft spots in the ranks of the Western and Arab coalition arrayed against him.

But Washington continued to emphasize the need to increase the pressure on Baghdad while Paris sought to cope with Iraqi claims that France had offered its services as a diplomatic intermediary in the conflict.

While it was unclear how closely U.S. and French policies were coordinated in a mix of carrots and sticks, President George Bush, in his UN speech Monday, sought to

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minimize the nuances in the two governments' approaches.

France, meanwhile, reacting to the release of nine French hostages by Iraq, denied Iraqi claims on Monday that Paris was involved in separate negotiations with Baghdad.

Faced with questions about whether France had made unilateral concessions to Iraq, a French government spokesman said that diplomatic exchanges with Baghdad were confined to questions about the fate of an estimated 350 French hostages.

Mr. Bush, in a speech emphasizing American hopes for settling the Gulf crisis short of war, tilted U.S. rhetoric closer to the line adopted publicly last week by President François Mitterrand.

At the same time, without citing France, Mr. Bush spelled out differences in the two allies' blueprints for a solution. Hinting at new demands in the U.S. vision of a settlement, he said Monday that Iraq and its leadership must be held "liable for these crimes of abuse and destruction" in Kuwait.

Mr. Bush had in mind, U.S. officials said, financial reparations for Iraqi troops' systematic looting and pillaging of Kuwait and also the possibility of war-crimes trials for Iraqi officials guilty of atrocities.

His remarks put on notice Iraq — and also France and other allies in the anti-Iraqi coalition — about U.S. intentions to impose uncompromising terms in any settlement.

Prime Minister Margaret Thatcher, who discussed the reparations plan with Mr. Bush, repeated Monday that "the military option is there and the buildup of forces continues."

Mr. Mitterrand's spokesman acknowledged Monday that "somewhat different approaches" prevailed in Paris and Washington about how to forge long-term stability in the region, but he insisted that France, like the United States, sought an unconditional Iraqi withdrawal from Kuwait.

Uncertainties about the French position arose last week after Mr. Mitterrand said that "everything would become possible" in negotiating a Gulf solution if Mr. Hussein pledged to withdraw from Kuwait.

Although Mr. Mitterrand emphasized that he saw no signs of Iraqi willingness to meet this condition, his speech aroused concern in the White House. France, a U.S.

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All Israelis to Get Gas Masks

By Joel Brinkley
New York Times Service

JERUSALEM — The military announced Monday that it will begin distributing gas masks to the general public next week.

The army expects to have passed out masks and related protective gear to all 4.6 million citizens and residents within a month.

The decision is a clear reaction to President Saddam Hussein's threat to attack "oil, the region and Israel," should Iraq begin to suffer under the sanctions now in place.

But to allay public concern, the Israeli Army stressed that "the distribution of gas masks in no way whatsoever indicates a change to an emergency status."

In August, when the Gulf crisis began, numerous citizens and a few political leaders, including Foreign Minister David Levy, had agitated for the immediate distribution of protective gear. But at that time the army said the situation was not serious enough, and in the last month public discussion of the matter had died out.

Now, however, said Brigadier General Nachman Shai, the chief army spokesman, "every Israeli citizen will be called, in stages of course, at a certain time by advance notice" to pick up his mask.

Masks will be distributed at hotels too, so that "tourists will also have kits in case, God forbid, they'll need them," he added.

Although Israel has enough masks, antidote-filled syringes and other protective gear for every resident and visitor, the army had not bought masks for the 1.7

See ISRAEL, Page 6

Lebanese Militia Frees Shiites

Compiled by Our Staff From Dispatches

MARJAYOUN, Lebanon — Pro-Israeli militiamen on Monday freed 40 prisoners, mainly Shiite Muslims, whose release had been demanded by kidnappers of Western hostages held in Lebanon.

At the same time, a newspaper in Beirut reported that Iran and Syria have agreed on a plan to free Western hostages in Lebanon.

The Israeli-backed militia in southern Lebanon, the South Lebanon Army, said the prisoner release was in response to "a demand and insistence by religious clerics of all sects, and some leaderships."

The prisoners were among about 350 Arabs, most of them Shiites, held in Khiam prison in Israel's self-declared security zone in southern Lebanon. They were accused of carrying out attacks against the militia and Israeli troops patrolling the buffer strip.

In Beirut, the conservative daily Ad Diyar, citing unidentified diplomatic sources, said President Hafez Assad of Syria worked out the release of the Westerners when he met in Tehran last week with President Hashemi Rafsanjani of Iran.

The Iranian Embassy in Beirut and the headquarters of the Syrian security force in West Beirut declined comment on the report.

There were other indications that efforts to free the captives were gathering momentum amid the Gulf crisis triggered by Iraq's Aug. 2 invasion of Kuwait.

Iran and Britain restored relations last week, ending a 19-month rift. Iran's ambassador to Pakistan said shortly before Mr. Assad's visit to the Iranian capital that some hostages could be freed soon. Pakistan has been used by the Americans as a conduit to Tehran.

Ad Diyar said the releases would begin not with the freeing of a Westerner held in Lebanon but

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For East Germans, Anxiety at the Altar

By Marc Fisher
Washington Post Service

BERLIN — At midnight Tuesday, fireworks will flame over dozens of cities in both Germanys as the German Democratic Republic becomes the first country in modern history to erase itself from the map peacefully and democratically.

The physical changes are dramatic enough. From Ho Chi Minh Alley in Berlin's eastern sector to Ethel and Julius Rosenberg Street in Oranienburg, place names will be scrapped, and statues of Marx, Lenin and the other icons will fall. Industries collapse daily; under the economic prescription the Bonn government calls "creative destruction," nearly 2 million workers have already been let go or cut to part time.

But the invisible changes run deeper. After more than 40 years in isolation, under the constant and unforgiving eye of the Stasi secret police, East Germans have grown far from their cousins to the west. Now, when overnight they will become simply German again, they are expected to blend in.

It won't be easy.

"We needed more time to get to know each other," said Hans Modrow, the country's last Communist prime minister and now a member of his country's parliament. He at first tried to slow the marriage of the two Germanys, but then faced the reality on the streets and endorsed quick reunion.

"I'm afraid what we will actually bring into the united Germany is quite little, almost nothing," Mr. Modrow said. "We're pretending that the last 40 years never happened, but without the past, one is nothing."

A year ago, East Germany was Moscow's most important European partner, the economic pride of the Soviet bloc, a rigid society ruled by inflexible, corrupted old men — former idealists who had done time in Nazi

'No one knows whether we will be able to make it in a competitive society.'
An East German spokesman

concentration camps because they were Communists.

Now, in their country's last hours, the 16 million East Germans find themselves guinea pigs in a historic experiment emerging from the collapsed Soviet empire. Moving from communism to capitalism in a matter of weeks, they are losing their jobs, military, police, schools, flag, traditions and, many say, their identity.

East German churches are being merged with West Germany's.

The number of plays by East German authors produced at East German theaters has dropped from 27 in the first half of 1989 to 5 in the same period this year.

East Germans will lose their subsidized vacations and their ability to turn right at a red light — a practice West Germans derided as "the socialist right turn."

East German teachers will be tested and retrained. The country's judges will be let go. Its government, other than a contingent of legislators who will go to Bonn for an eight-week transitional session, will cease to exist. Everywhere they turn, everything East Germans know is becoming Western.

In the long run, most expect their financial status to improve. But many, especially those in mid-career or older, believe they will never be able to adjust completely.

A wave of nostalgia is sweeping over East Germany in its final moments. Not for the corrupt regime or the lack of consumer goods, but for a simpler, less competitive life, for rich friendships and the security of a system in which careers — assigned and organized by the state — were secondary to home life.

Much of the nostalgia for the vanishing life is, as an East Berlin University student, Mark Scheffler, put it, "a bunch of over-romanticizing.

"But I feel justified in trying to hold onto

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Hansjorg Krauss/The Associated Press
General Raymond E. Haddock, left, the U.S. commander in Berlin, furled a city flag at a ceremony Monday in the western sector.

Ukrainians Protest Moscow's Control

By David Remnick
Washington Post Service

MOSCOW — Tens of thousands of people across the Ukraine demonstrated Monday against the Communist Party and Moscow's political control. In protests concentrated in the western part of the republic, workers staged one-day strikes and called for an independent Ukraine.

In the Ukrainian capital of Kiev, crowds demonstrated outside the parliament and demanded the resignation of its current leadership. Many carried signs saying that a new treaty governing relations between Moscow and the Soviet republics would "undermine" the sovereignty of the Ukraine. "The New Union Treaty is the Old Slavery," one sign said.

The Ukrainian independence movement, observers said, is a challenge to the Soviet state, a threat greater than that from the tiny Baltic republics. The Ukraine has a population of more than 50 million and is one of the richest farming and industrial regions of the country. The economic potential of the area is so great that Lenin once said: "To lose the Ukraine is to lose our head."

In western cities such as Lvov and Ternopol, the sentiment for an independent Ukraine has grown strong. The Ukrainian Catholic Church in the west has played a political role comparable to that of the Catholic Church in Poland in Solidarity. In the east, where there is a greater ethnic Russian population, sentiment is mixed.

The demonstration in Kiev caused some unrest inside as a debate broke out over what symbols to use: the red Soviet Ukrainian flag or the traditional blue and yellow flag. The evening television news program Vremya showed deputies shouting at each other and battling for the microphone.

Demonstrators on the street demanded that Ukrainians no longer serve in the Soviet Army and that the Communist Party be declared a "criminal organization." The Ukrainian parliament has already declared the sovereignty of the republic, but some deputies want the parliament to follow the lead of the Baltics and Armenia which have declared outright independence.

Vremya, which is still under relatively tight state control, reflected the unease of the Kremlin over nationalism in the Ukraine when the announcer interjected that the call for republican-wide strikes was effective only in some western regions.

In Azerbaijan, a former Politburo member, Geidar Aliyev, won election to the republic's parliament, running without opposition in the region of Nakhichevan.

Mr. Aliyev, who has been denounced in the Communist Party newspaper Pravda as one of the most dishonest politicians of the Brezhnev era, was forced out of the Politburo under President Mikhail S. Gorbachev. Mr. Aliyev lived quietly in Moscow, enjoying the fruits of his party position, but following the bloody conflict in Azerbaijan last January, he became more public, even criticizing Mr. Gorbachev in interviews with foreign journalists.

Mr. Aliyev now could conceivably make a bid for the chairmanship of the Azerbaijani parliament, which would make him head of the republic. But sources in Baku said they doubted whether Mr. Aliyev had the support to win the post.

Dennis Cook/The Associated Press

FROM KREMLIN TO PENTAGON — General Colin L. Powell, left, chairman of the Joint Chiefs of Staff, greeting General Mikhail A. Moiseyev as the chief of the Soviet general staff arrived in Washington. They later went to the Pentagon. General Moiseyev is on a weeklong tour of American military installations. Defense Secretary Dick Cheney is to visit Moscow this month.

Chess Match: Kasparov Disdains the Soviet Flag

By Thomas L. Friedman
New York Times Service

NEW YORK — Garri Kasparov, the world chess champion, will not defend his title under the Soviet flag but rather under the white, blue and red colors of the Russian Republic, he said in an interview.

Mr. Kasparov said he had decided to spurn the Soviet flag, with its Communist symbol of the hammer and sickle, because it has come to "represent oppression and tyranny," even under the rule of President Mikhail S. Gorbachev.

Mr. Kasparov, 27, is to begin the defense of his world chess title here Monday, where he will face his longtime rival, Anatoli Karpov, from whom he wrested the world title in 1985.

"I begin my defense of the world championship at a time when my country is in a condition of turmoil and despair," Mr. Kasparov said.

He added: "I am terribly pained and distracted by the chaos and misery of my homeland — the result of 73 years of Communist dictatorship. I even wonder about my playing chess for three months, living in luxury, while my fellow citizens must struggle each day to find food, with the rule of law breaking down around them."

As a result, he continued, "I have decided not to play this match under the Communist flag, which, to me, represents oppression and tyranny, but instead, under the white, blue and red Russian Republic flag, which today in my country has become a symbol of protest and hope for the future."

Mr. Kasparov explained that his decision to keep a Russian Republic flag next to him at the chess table was not because he identified with Russian nationalism, but because he viewed the Russian Republic as the only vehicle for real change in the Soviet Union.

Boris N. Yeltsin, who was recently elected president of the Russian Republic, "represents the Russian democrats," said Mr. Kasparov.

He made clear that his gesture was aimed at the current Soviet Communist leadership under Mr. Gorbachev and at Mr. Karpov.

"Karpov represents the power authorities," said Mr. Kasparov. "He was Brezhnev's boy when Brezhnev was in power and now he is Gorbachev's boy when Gorbachev is in power." Leonid I. Brezhnev, the former Soviet leader, died in 1982. Mr. Karpov was world chess from 1975 to 1985.

Bush Signs a Stopgap Budget Measure

Compiled by Our Staff From Dispatches

NEW YORK — President George Bush signed a stopgap resolution Monday to keep the government going for five more days while more work is done on the budget at the start of fiscal 1991.

By reaching a budget agreement Sunday hours before ther midnight deadline, Mr. Bush and key lawmakers avoided a crisis. But they *now must convince an election*-year Congress to vote for $134 billion in new taxes and widespread cuts in federal programs.

Even before Mr. Bush and congressional leaders had finished their arguments for the budget compromise, dozens of rank-and-file members attacked it as unacceptable.

Republicans were angry about the taxes, and Democrats derided the cuts in domestic spending.

"It's going to be very difficult for us," the House Republican leader, Robert H. Michel of Illinois, said.

But the White House chief of staff, John H. Sununu, said Mr. Bush would lobby hard and, "I think in the long run it will be supported by a majority of Republicans."

Democrats, too, were expected to swallow hard before agreeing to raise Medicare premiums while cutting the benefits, increase taxes on gasoline, alcohol and cigarettes, and trim everything from the military to student loans.

And despite a claimed $500 billion in deficit reduction, the proposal would stretch out the goal of a balanced budget and let the debt increase another $1 trillion.

The $40 billion in deficit reduction for the fiscal year that began Monday would still leave a record annual deficit of $254 billion.

Following the announcement of the accord, the House and Senate easily approved and sent to Mr. Bush legislation avoiding the government shutdown threatened for Monday.

Mr. Bush, who returned to Washington Sunday to announce the accord, signed the stopgap resolution in New York, where he addressed the United Nations.

Mr. Michel, appearing on television, said he would not be surprised if the budget pact failed to pass its first test votes later this week.

Mr. Sununu said the president would "support it aggressively."

"It's dead in the water," Representative Nick J. Rahall, Democrat of West Virginia, said.

"The package as I see it now does not go far enough in requiring the wealthy to pay their fair share."

Emerging halfway through a briefing of House Republicans on the plan, Representative Philip M. Crane of Illinois had his mind made up.

"We are being taxed at all-time high levels," he said. "This is the most inauspicious time I can think of to raise taxes." He said he was "totally opposed."

The budget deal would raise taxes $134 billion over the next five years, cut benefit programs $119 billion and, for the remainder, trim *military and domestic programs.*

The most attractive part of the package politically may be that it is the only thing being offered to prevent the 33-percent, across-the-board spending cuts of the Gramm-Rudman law. If this took effect, it could bring about the ending of student loans and laying off U.S. employees.

Many members who are not part of the congressional leadership were reluctant to commit themselves to voting for it.

"We are not the Radio City Rockettes that march in perfect precision," said Representative Henry J. Hyde of Illinois, one of the more influential Republicans. "Every fiber in my being wants to support it. But at the same time, pledges have been made, and I want to use my own judgment."

Anticipating the opposition of rank-and-file members, Senate and House leaders at the White House ceremony Sunday sought to promote the package *as too crucial to* the nation's well-being to be undermined by partisan sniping.

Thomas S. Foley of Washington, the House speaker, acknowledged that finding majorities in both parties in both houses of Congress would be difficult.

But he added, "We pledge our *efforts with yours to convince our* colleagues and the country that this is strong undergirding of our economic future, our national prosperity and joint national interests."

(AP, NYT)

POLITICS: *Bush Holds the Edge on Budget Fallout*

(Continued from Page 1)

put us in with the notion that everybody could have a free lunch."

The immediate political problem for Democrats, who hold the majority in the Senate and House, is that it will be incumbents who will be called on to vote for such unpopular measures as a higher gasoline tax and a cut in Medicare benefits, and then defend them in election campaigns this fall.

Democratic leaders are trying to assemble enough votes from representatives with safe seats and senators not up for re-election that lawmakers in tough races can vote against the package.

"I may have to vote against it and hope it passes," admitted a Democratic senator in a difficult re-election campaign.

But Democratic strategists saw advantages to their party as well.

First, they said, incumbents would have been held responsible if a budget compromise had failed and the across-the-board spending cuts required by the Gramm-Rudman-Hollings budget-balancing law had been imposed. That was averted by the budget agreement.

Second, they maintain that they were the ones who protected Social Security retirement benefits, the strongest card in the Democratic hand.

Finally, and most important over the long haul, they believe their refusal to budge in their stance against a cut in the capital gains tax reinforces the traditional position of Democrats as the party that favors economic equity.

In economic terms, the initial effect of taking $40 billion out of the economy in higher taxes and lower government spending could have a mildly negative effect, draining economic output by nearly 1 percent.

But changes in interest rates can take six months to a year to work their way through the economy, while tax and spending changes are felt at once.

Whatever the immediate consequences, the economic advantages over time could be manifold.

The ever-increasing budget deficit, now $293.7 billion by the administration's latest estimate, is draining away productive investment by Americans, using government funds for interest payments instead of better roads, schools and research and eroding the quality of life of the next generation.

The crucial question is whether the financial markets believe this is a credible budget deal, one the president and Congress will stick to *through thick and thin. If they do,* interest rates should soon begin to fall, encouraging companies and individuals to borrow and spend, thus stimulating the economy.

Real new revenues and real new savings would result from a higher gasoline tax, 5 cents more this year and another 5 cents next year, higher Medicare premiums and deductibles, and tight limits on military and domestic spending, assuming they are enacted.

The administration figures that the deficit will fall from nearly $300 billion to about $80 billion in five years.

Target Dates For Passage

New York Times Service

WASHINGTON — Here are deadlines for Congress under the budget agreement. They need to be met to avoid the across-the-board spending cuts of $105.7 billion that would otherwise be required by the Gramm-Rudman-Hollings deficit-reduction law.

Oct. 5: Congress is to pass a new budget, reflecting the new taxes and spending cuts proposed by White House and congressional negotiators on Sunday, and a stopgap spending bill allowing the government to finance its operations. The across-the-board cuts would be halted until Oct. 19.

Oct. 10: The appropriations committees in the House and Senate are to complete work on the 13 bills that tell federal departments and agencies how much money they will have to spend in 1991.

Oct. 19: Congress is to pass the 13 spending bills.

WORLD BRIEFS

Savimbi Sees Cease-Fire by Year-End

WASHINGTON (WP) — Jonas Savimbi, the Angolan rebel leader, says he believes a cease-fire can be achieved by the end of the year because of new superpower involvement, particularly by the Soviet Union, in the peace negotiations.

Mr. Savimbi, in Washington to lobby for continued U.S. aid, also said his National Union for the Total Independence of Angola was no longer insisting the government of Angolan recognize UNITA as a political party before cease-fire negotiations could begin.

He said Sunday that he believes the two sides could simultaneously work out the details of a cease-fire and an agreement of "political principles" for free elections. Soviet officials conferred with guerrilla representatives in Lisbon last week, which Mr. Savimbi said was the first time the Soviets had met with representatives of UNITA. The talks are to resume later this month.

Bomb Damages U.S. Plant in Manila

MANILA (Reuters) — A bomb was thrown at the Fuller O'Brien Paint Co. Inc. here on Monday, shattering glass but injuring no one. It was the *sixth attack on American companies in the Philippines in five days, police* said.

The military has blamed a spate of bombings in Manila in the past two months on rightist army rebels trying to destabilize the government of President Corazon C. Aquino. The bomb Monday was the 39th to explode in Manila since Aug. 13.

The U.S. Embassy has cautioned Americans in the Philippines to be on alert after bomb attacks on the local bottling plants of Coca-Cola and Pepsi and factories operated by Colgate-Palmolive and two U.S. drug companies. There have also been attempts to bomb offices of Procter and Gamble and Boston Bank.

Thais Act to Repatriate Cambodians

BANGKOK (Reuters) — Thai authorities plan to move 100,000 Cambodian refugees away from guerrilla-controlled camps inside Thailand to a neutral site to await repatriation, Thai military officials said Monday.

The proposal revives the so-called "neutral camp" plan as Thailand and other countries continue efforts to bring an end to the 11-year Cambodian conflict. That camp policy failed earlier this year because of opposition from the Thai Army, the ultimate arbiter of affairs along the border.

About 300,000 civilians live in well-organized camps in Thailand. The Site 2 Camp is the largest concentration of Cambodians outside their capital, Phnom Penh. The refugees receive food and other humanitarian aid from the United Nations and Western relief organizations but they are controlled by the three guerrilla groups fighting the Vietnamese-backed Cambodian government.

Liberia Faction Declares War on Rival

MONROVIA (Reuters) — The guerrilla faction of Prince Johnson has declared all-out war on the rival faction led by Charles Taylor and the remnants of the government army in Liberia's civil strife.

Mr. Johnson, whose troops control much of the capital its northern suburbs, said he would renew his offensive against an estimated 1,000 soldiers of the late president, Samuel K. Doe.

On Monday, Mr. Johnson displayed weaponry he said had been captured by his forces from a government arms depot. "Violence is the only solution to establishing real democracy in Liberia," he said.

Britain Lets 32 Chinese Seek Asylum

LONDON (Reuters) — Britain said Monday that 32 Chinese who demonstrated for democracy in Beijing last year and then spent four months in hiding in Britain to avoid expulsion will be allowed to seek asylum.

A spokesman said the Home Office reversed an earlier decision to reject their plea for asylum and send them back to Panama, where they first went after fleeing China in June last year.

The Chinese had hoped to travel to Canada, but their Canadian visas were found to have been forged. Of the 33 who entered Britain, one returned to China. The others went into hiding after applications for asylum were rejected.

Socialist Names Cabinet in Ontario

TORONTO (Reuters) — The first socialist premier of Ontario named his cabinet Monday, with nearly half of the top jobs going to women.

Premier Bob Rae, whose New Democratic Party swept to power in the richest and most populous Canadian province on Sept. 6, appointed 11 women to the 25-member cabinet. Twelve of his advisory team have just joined the legislature, having won their seats in the surprise election victory, which caused a sharp but short-lived drop in shares and the Canadian dollar.

The most important posts of treasurer, minister of economics and deputy premier will all be held by Floyd Laughren, 54, who represents the mining constituency of Nickel Belt in northern Ontario. The party's program includes plans for an annual deficit of 1 billion Canadian dollars ($870 million), a minimum 8 percent tax to be paid by all companies and increased social spending.

Soldiers Slay 2 Joyriders in Belfast

BELFAST (UPI) — A joyride ended in death when two young people were shot and killed by British troops as they tried to drive through a security checkpoint in a stolen vehicle, the Northern Ireland police reported Monday.

A boy, 17, and a woman, 18, were shot to death by soldiers after the stolen car they were riding in failed to stop at a checkpoint in the Lenadoon district in West Belfast shortly before midnight.

A girl, 16, who also was in the car, was shot in the arm but was not seriously wounded. Since 1980, at least 10 joyriders have been killed by security forces in Belfast, a police spokesman said.

For the Record

Hearings on the bombing of a Pan Am jet over Lockerbie, Scotland, two years ago began Monday in Dumphries, near Lockerbie, with a focus on security measures that failed in the blast that killed 270 people. *(AFP)*

TRAVEL UPDATE

Aeroflot, the Soviet national airline, plans to drop daily flights from Cuba to Latin America and establish Miami as its gateway to South and Central America, according to a report Monday in International Business Chronicle, published in Miami. *(UPI)*

Air France said it will eliminate its three weekly flights from Paris to San Francisco. But UTA, another French airline taken over by Air France earlier this year, will increase its non-stop flights to San Francisco from three to four times a week, Air France said. *(UPI)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	16	61	14	57	cl
Athens	27	81	14	57	fr
Barcelona	25	79	19	66	cl
Belgrade	27	81	20	68	cl
Berlin	18	64	16	61	r
Brussels	17	63	13	55	c
Budapest	23	73	10	50	sh
Copenhagen	14	57	12	54	r
Costa Del Sol	27	81	18	64	cl
Dublin	14	61	8	46	c
Edinburgh	15	59	6	43	c
Faro	25	77	19	66	cl
Florence	26	79	16	61	r
Frankfurt	19	66	17	63	r
Geneva	21	70	16	61	c
Helsinki	7	45	0	32	c
Las Palmas	27	81	23	73	cl
Lisbon	25	77	17	63	fr
London	17	63	7	45	c
Luxembourg	15	59	8	46	r
Madrid	24	75	14	57	fr
Milan	18	64	15	59	c
Moscow	9	48	2	36	c
Munich	22	72	15	59	cl
Nice	22	72	17	63	cl
Oslo	11	52	6	43	c
Paris	19	66	16	61	c
Prague	17	63	14	57	c
Reykjavik	8	46	5	41	sh
Rome	26	79	14	57	cl
Stockholm	10	50	5	41	c
Strasbourg	20	68	16	61	c
Venice	21	70	11	52	cl
Vienna	25	77	13	55	cl
Warsaw	19	66	11	52	cl
Zurich	17	63	13	55	cl
MIDDLE EAST					
Cairo	31	88	18	64	fr
Istanbul	22	72	12	54	fr
Manama	—	—	—	—	na
Riyadh	—	—	—	—	na
Tel Aviv	—	—	—	—	na
OCEANIA					
Auckland	—	—	—	—	na
Sydney	—	—	—	—	na

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	—	—	—	—	na
Beijing	—	—	—	—	na
Hong Kong	—	—	—	—	na
Manila	—	—	—	—	na
New Delhi	—	—	—	—	na
Seoul	—	—	—	—	na
Shanghai	—	—	—	—	na
Singapore	—	—	—	—	na
Taipei	—	—	—	—	na
Tokyo	—	—	—	—	na
AFRICA					
Algiers	35	95	20	68	cl
Cape Town	21	70	12	54	fr
Casablanca	25	77	21	70	c
Harare	27	81	14	57	fr
Lagos	29	84	23	73	cl
Nairobi	25	77	13	55	fr
Tunis	34	93	20	68	cl
LATIN AMERICA					
Buenos Aires	30	86	24	75	fr
Lima	21	70	14	61	c
Mexico City	25	77	14	57	c
Rio de Janeiro	26	77	21	70	c
NORTH AMERICA					
Anchorage	10	50	5	41	pc
Atlanta	27	81	17	63	pc
Boston	20	68	10	50	pc
Chicago	19	66	9	48	pc
Denver	27	81	10	50	pc
Detroit	17	63	6	43	pc
Honolulu	30	86	24	75	pc
Houston	31	88	19	66	pc
Los Angeles	26	79	19	66	pc
Miami	31	88	24	75	pc
Minneapolis	23	73	7	45	pc
Montreal	14	57	6	43	pc
Nassau	31	88	24	75	pc
New York	21	70	11	52	pc
Phoenix	32	90	21	70	pc
San Francisco	21	70	12	54	pc
Seattle	17	63	11	52	r
Toronto	14	57	7	45	sh
Washington	23	73	15	59	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Rough. **FRANKFURT:** Cloudy. Temps. 20—11 (68—52). **LONDON:** Overcast. Temps. 16—8 (61—46). **MADRID:** Fair. Temps. 26—12 (79—54). **NEW YORK:** Showers. Temps. 20—12 (68—54). **PARIS:** Cloudy. Temps. 22—12 (72—54). **ROME:** Stormy. Temps. 22—16 (72—97). **TEL AVIV:** Not available. **ZURICH:** Cloudy. Temps. 22—14 (72—57). **BANGKOK:** Showers. Temps. 32—25 (90—77). **HONG KONG:** Not available. **MANILA:** Cloudy. Temps. 31—21 (88—70). **SEOUL:** Fair. Temps. 24—12 (75—54). **SINGAPORE:** Showers. Temps. 31—26 (88—79). **TOKYO:** Cloudy. Temps. 24—19 (75—66).

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DJP91

Louisianan Revives the Politics of Race

By Robin Toner
New York Times Service

LAKE CHARLES, Louisiana — Outside, the air was roaring with the carny rides and fireworks of the Southwest Louisiana State Fair and Trade Exposition, but inside a nearby auditorium David Duke was offering a ride of his own.

Mr. Duke, a state legislator, former national grand wizard of the Knights of the Ku Klux Klan, founder of the National Association for the Advancement of White People and candidate for the U.S. Senate, was railing about welfare recipients "having children faster than they can raise your taxes to pay for them."

He talked about the outrages of affirmative action and about white people being accused of racism when they simply seek equal rights. He talked about the woman who said to him, "Mr. Duke, I don't know if we're ever going to have another white Miss America in this country." He paused only for the angry bursts of applause from an audience of about 300 and the low chants of "Duke! Duke! Duke!"

Less than a week before the election here, Mr. Duke, a Republican repudiated by his national party, has been running a distant second in statewide polls to the 18-year incumbent, J. Bennett Johnston, a Democrat. Mr. Johnston's aides now predict with increasing confidence that he will win Saturday's election with more than 50 percent of the vote and thus avert a runoff against Mr. Duke, although many of Mr. Duke's opponents remain nervous.

For all of that, the Duke campaign has raised questions and issues that transcend the voting on Saturday. Many in Louisiana fear that whatever happens to the messenger, the message now has a life of its own.

This Senate election has tormented both parties, become a laboratory for what is widely seen as a new racial politics, and troubled many people in a state with a legendary tolerance for politicians who push the limits.

"It's just giving Louisiana a bad name," said Brian Richardson, an independent insurance agent who stalked into the hall where Mr. Duke spoke to complain about the campaign signs posted outside, "It's just a shame."

Many political analysts here say that Mr. Duke's support has peaked, that he has suffered from several weeks of news accounts and television advertising about his past. Mr. Johnston has a particularly graphic spot on the air right now that shows Mr. Duke at a cross-burning in the late 1970s, giving a stiff-arm salute and chanting, "White Victory."

The 40-year-old Mr. Duke has tried to present much of his past activity as the excesses of youth, but he has been continually on the defensive. A televised debate this weekend with the Republicans' endorsed candidate, State Senator Ben Bagert Jr., a New Orleans lawyer who is running a distant third, turned into a shouting match.

Still, what is striking to many people here is how well Mr. Duke has been able to do in the polls despite his past.

A poll by the University of New Orleans's Survey Research Center, conducted Sept. 4-12, showed Mr. Johnston at 46 percent, Mr. Duke at 21 percent and Mr. Bagert at 8 percent. Another 20 percent were undecided, and 5 percent refused to state a preference.

Among whites, Mr. Johnston was at 38 percent and Mr. Duke at 27 percent. Susan Howell, director of the center, said Mr. Duke's support was about the same among those who described themselves as Democrats, independents and Republicans. But it varied sharply with education, with Duke strongest among whites without a high school degree and weakest among college graduates.

Many Louisianans say their state's long siege of economic troubles has created fertile ground for an appeal that assails affirmative action and "the rising welfare underclass." They also suggest that this message could easily be transferred to other pockets of economic distress.

"This is the Wallace movement revisited," said Lawrence Powell, a history professor at Tulane University who is a founder of the Louisiana Coalition Against Racism and Nazism, a group formed after Mr. Duke's upset election to the state legislature last year.

In an interview, Mr. Duke said his election would create "thousands of Dukes" in politics. He said his campaign would open the door for candidates to say what they had feared to say publicly before.

His opponents say that is exactly the problem. "Just because people think these things doesn't make it right to say it out loud," says Beth Rickey, a member of the Republican State Central Committee and another active Duke opponent. "There's something scary about the political climate right now."

U.S. Court to Review Labor Bias Abroad

The Associated Press

WASHINGTON — The Supreme Court opened its new term Monday by agreeing to decide whether U.S. businesses break the law if they discriminate against Americans they employ abroad.

The court said it would decide whether Congress intended a major anti-bias law to reach beyond the nation's borders.

There were only eight justices on the bench as the court issued about 1,000 orders after returning from a three-month recess. It denied review in the vast majority of the cases.

David H. Souter is expected to receive Senate confirmation Tuesday as the nation's 105th Supreme Court justice.

On Monday the court:

● Left intact a policy that lets federally regulated banks sell insurance. Without comment, it rejected an appeal by insurance industry lawyers who said that the Federal Reserve Board policy could lead banks into the same "morass that has befallen the savings-and-loan industry."

● Agreed to decide whether lawyers in noncriminal cases may bar potential jurors because of race. The justices said they would use the case of an injured black construction worker in Louisiana to decide whether such racially motivated exclusions are prohibited in civil as well as criminal trials.

● Asked the Bush administration whether employers may ever bar workers from joining or serving in the military reserves. The court wants to hear Justice Department lawyers' views on a ruling that struck down the Baltimore Police Department's policy of limiting the number of employees allowed to be in active reserve units.

● Agreed to review its recent decisions barring sentencing juries from considering the character of the defendant's victim or the grief of the victim's family. The court, which ruled in 1987 that such "victim impact" evidence should not be considered by sentencing juries, agreed to consider reinstating an Ohio man's death penalty for a love-triangle murder.

● Agreed to use a dispute over the settlement of a strike by Continental Airlines pilots to set new guidelines on the duties of unions to represent their members. The court said it would consider killing a lawsuit against the Air Line Pilots Association by striking pilots who said the union denied them fair representation.

In the case involving discrimination against U.S. citizens employed abroad, a federal appeals court has ruled that the anti-bias law has no effect outside the United States. That ruling came in a case from Saudi Arabia.

But federal trial judges have ruled in several other cases that the law does apply abroad.

The high court acted on appeals by the administration and a former oil industry employee.

Patrick White, Australian Novelist, Dies

By Robert D. McFadden
New York Times Service

Patrick White, 78, the Australian novelist who won the 1973 Nobel Prize in Literature and acclaim as a harsh but authentic voice of his homeland, died near Sydney on Sunday after an illness of several weeks. The cause of his death was not announced.

He was the fourth-generation son of Australian sheep ranchers. He was born in London on one of his parents' trips there. He spent most of his boyhood in Australia, but returned to England to study languages at Cambridge and joined the British Air Force in World War II, serving as an intelligence officer in the Middle East. He returned to Sydney after the war and resumed writing.

The author of more than a dozen novels, as well as stories, poetry, several plays and an autobiography, Mr. White drew unflattering portraits of Australia and was vastly more popular in the United States and Europe than among his countrymen.

But he was the first writer with Australian roots to be widely read abroad and the only one ever selected for the Nobel Prize.

He won it for a range of his work including, "The Eye of the Storm," (1973), a tale of the last days of a rich old woman whose greedy children gather to await her death.

The Swedish Academy, selecting Mr. White from a list that included Graham Greene, Vladimir Nabokov and André Malraux, called his work "an epic and psychological narrative art which has introduced a new continent into literature."

It said he had "given the continent of Australia an authentic voice that carries across the world."

He refused to go to Stockholm to accept the prize, but sent a friend, the artist Sydney Nolan, in his place.

His best-known novels were "Voss" (1957), "Riders in the Chariot" (1962), "A Fringe of Leaves" (1976) and "The Twyborn Affair" (1979). His plays included "Big Toys" (1977), "Signal Driver" (1982) and "Netherwood" (1983). His autobiography, "Flaws in the Glass," was published in 1981.

Referring to his relationship with his homeland a few years ago, he said: "It's the country of my origins — that, I think, is what matters in the end, whether one likes it or not. Certainly, I had to experience the outside world and would have felt deprived if I didn't have that behind me. But it's from the Australian earth, Australian air, that I derive my literary, my spiritual, sustenance. Even at its most hateful, Australia is necessary to me."

A tall, craggy, uncompromising man with deep-set dark eyes, Mr. White once called the British royal family "goons."

He was a scathing critic of Australia's policies toward its aborigines and as part of his protest against this, he had no work published or performed in 1988 during Australia's celebrations of the 200th anniversary of white settlement.

Michel Leiris, 89, Surrealist Author

PARIS (Reuters) — Michel Leiris, 89, one of the leading figures of the Surrealist movement in Paris after World War I, died Sunday.

Mr. Leiris was best known for such works as "L'Age de l'Homme" and "La Règle du Jen."

He was also a noted ethnologist, specializing in African civilizations, and a leading anti-fascist militant in the 1930s.

■ *Other deaths:*

Augustin Laurent, 94, a leading figure of the French Socialist Party and a minister in General Charles De Gaulle's first post-Liberation cabinet in 1944, Monday in Lille.

Lawrence Kasha, 57, a writer, director and producer for both the stage and television, Saturday in Los Angeles of brain cancer. His credits included the stage shows "Applause" and "Woman of the Year."

Merry Kellum, 47, a country music guitarist who had the 1963 hit "Long Tall Texan," and the promoter Johnny D. Swanner, 55, in a plane crash Sunday near Gallatin, Tennessee.

Liesbeth den Uyl-van Vessum, 66, widow of the former Dutch prime minister, Joop den Uyl, and prominent campaigner for human rights, Sunday in the Hague.

Japan Starts Its 15th Census

The Associated Press

TOKYO — About 750,000 workers on Monday started a head count of an estimated 120 million people as Japan began its 15th national census since 1920.

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OPINION

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Keep Up the Gulf Squeeze

Hardly a day passes without some worthy expert clamoring for decisive action, diplomatic or military, in the Gulf. But there is no such impatience reflected in public opinion polls or among leaders of the United Nations coalition against Iraq. In terms of politics and policy, the purveyors of impatience are missing the point.

Negotiate? It is far too early to offer face-saving formulas to Saddam Hussein. He has proffered none himself and he shows no signs of looking for a face-saving exit from Kuwait. Anything the coalition puts on the table now the Iraqi dictator will pocket as a mark of weakness.

Attack? It is also dangerously premature to beat the drums for war. There is no consensus now for fighting. If the United States, or the United States and Saudi Arabia, were to act alone, this would destroy the unity so essential to bearing the responsibility for bloodshed, should that day come.

The idea of a global embargo on trade with Iraq while building up allied military power means waiting patiently for the squeeze to work. And the United Nations strategy seems to be working. Already Iraqis are starting to feel some pain. Already Saddam Hussein lashes back with wild threats.

Some foreign policy commentators see that desperation and fear its consequences. They fear that Saddam Hussein is on the verge of starting a devastating war, and they want to head it off with a peace plan that would permit him to save face. President François Mitterrand of France has given voice to this approach. Speaking to the United Nations last week, he said that if Iraq left Kuwait "everything might be possible," including an international conference to adjudicate the Israeli-Palestinian dispute.

This approach would defuse the current crisis and damage Saddam Hussein's reputation. But it also would transform him from an aggressor into a new Saladin, protector of Palestine from the infidels. In this mantle he could become more dangerous. Now in particular, with Arab countries willing to fight brother Arabs, it is important for the United States and other nations to stress their commitment to beginning Israeli-Palestinian talks. But linking that to the Gulf crisis would be foolish in the extreme.

Such diplomatic traps drive some policy experts in another direction. Instead of diplomacy, they would counter Saddam Hussein's threat of war with a preemptive attack. They worry about Iraq striking first and destroying oil fields and using all its chemical weapons.

There is a good deal of military sense to this approach, but it ignores the nasty political consequences. Few, if any, nations are now ready to join in preemptive war. Even if the United States attacked successfully, the wrath of the Arab world eventually would fall entirely on Americans.

Yet the possibility of an Iraqi strike is high enough to require immediate consultations among the allies on whether, when and how to use force. American forces ought not be left to improvise alone if lightning should strike.

All of which points to one conclusion: There is no diplomatic or military course preferable to the present strategy. Support for it is growing, not eroding, and there is a growing consensus for using force if the embargo fails. Meanwhile, it is not failing; the strategy for squeezing Iraq seems to be working. And it is only eight weeks old.

— THE NEW YORK TIMES.

A Soviet-Japanese Thaw

The Soviet Union and Japan are sidling toward resolution of a long-standing territorial dispute and resumption of normal relations. That would enable the United States to reduce its military presence in the region. It is therefore in America's interest to speed the reconciliation along — by urging Tokyo to extend an economic hand to Moscow.

The Soviets have agreed to talk about what Tokyo wants most from Moscow: the islands that the Soviets took from Japan at the end of World War II. For his part, Prime Minister Toshiki Kaifu has improved the atmosphere for talks by directing Japan's Defense Agency to deflate its overblown estimate of the Soviet threat to East Asia.

However, Mr. Kaifu is not prepared to offer Moscow the capital and know-how it wants unless and until the Kremlin promises in advance to give back the islands. That could look like a bribe; and even if Tokyo doesn't see it that way, conditioning aid on Soviet concessions makes Moscow lose face. Japan would do better to begin economic cooperation now. That would be in its interest, given the establishment of full diplomatic relations between its economic rival, South Korea, and the Soviet Union.

German unification brings World War II to an end in the center of Europe. But Japan and the Soviet Union have yet to sign a peace treaty. The war's legacy has embittered relations for 45 years.

Stalin joined the allies and attacked Japan one week before it surrendered in 1945. In turn, as agreed at Yalta, he seized his spoils, retaking southern Sakhalin, lost in the Russo-Japanese War, and grabbing the islands north of Hokkaido for good measure. Moscow knows that refusal to return *the islands is holding up normal relations.* But it would prefer to avoid any border changes when its republics are demanding independence. Well-placed Soviet academics are floating partial solutions like returning two of the four islands, a step the Soviets considered taking in 1956.

But having conceded the principle of territorial integrity, why not settle the issue once and for all? An acceptable deal can be arranged. It would provide for joint development of the islands, with a commitment to restore sovereignty to Japan eventually. The Japanese would give up all claim to southern Sakhalin. And they would agree not to put the islands or adjacent waters to military use. Failure to restrict the islands' use could expose Soviet missiles on submarines in the Sea of Okhotsk. These are vital to Moscow's nuclear retaliatory capacity. The United States as well as Japan would be safer not threatening that capacity. Tokyo's reassessment of the Soviet threat suggests that it might be able to accept demilitarization of the islands.

Tokyo should now consider softening its stand on economic cooperation, and should drop its demand that reversion come first. That would benefit Japan, too.

When Moscow began to open relations with South Korea, an alternative source of technology and investment, Tokyo seemed to get the message. At the July summit meeting of the seven Western industrial powers it chose not to veto a survey of Soviet economic needs. Now it could coax companies to explore opportunities in a reforming Soviet Union.

Tokyo might take Prime Minister Margaret Thatcher's word for it: Mikhail Gorbachev is a man to do business with.

— THE NEW YORK TIMES.

The Budget News Is Good

The budget agreement announced on Sunday is imperfect, but the solid deficit reduction it promises is more important than its flaws. Some of the largest tax increases would be regressive, but the ultimate regressive step of cutting the capital gains tax was staved off. On the benefit side, the negotiators again flinched at cutting Social Security, even though it represents a fifth of all spending.

Still, enactment of the agreement would be a major fiscal accomplishment, a shift toward responsible policy long overdue. The president and congressional Democrats both had to abandon cherished positions to achieve it, and particularly so close to the election they deserve great credit. The compromise is fair; the members must show the same courage as their leaders and pass it. The alternative is not just the insupportable chaos of Gramm-Rudman; that would not last. If the compromise fails, the deficit continues to erode the ability to govern.

The excise tax increases that the parties contemplate on gasoline, energy generally, alcohol and tobacco would be felt less by rich than poor. The flip side is that they would be socially useful, in stimulating energy conservation and possibly deterring alcohol and tobacco consumption. An income tax increase would have been fairer. The president resisted, in effect trading his proposal to cut the capital gains tax in order to keep the income tax rates as they are. Still, the plan contains a sleeper: It would raise $18 billion over five years, more than the alcohol and tobacco taxes combined, by limiting the itemized deductions that upper-income households can take — in effect, the same as a rate increase. It would also require high earners to pay higher Medicare taxes, and contains protection for about a fifth of the poor-working families with children, in the form of an increase in the earned-income tax credit. Overall, an acceptable if not exemplary list — and the best that can likely be achieved.

In benefits, having balked at cutting Social Security, the negotiators went after the same population by proposing large savings in Medicare, in part by raising the premiums, deductibles and the rest that patients must pay. At one point both parties were contemplating tilting these payments so that the better-off would pay most: for the usual reason of fear of the political consequences, they abandoned this good idea. The poorest would still be protected; for people below the poverty line, the states must make such payments (in part with federal matching funds) through Medicaid. Other major entitlements, notably farm supports, would also be cut.

The defense budget would be reduced in real terms, not as much as some Democrats have urged but more than the administration wanted. That seems about right. The range of domestic spending subject to the appropriations process would not be cut, but could rise no more than inflation. That also seems fair; it means that in budgets as tight as those ahead, if some programs prosper it will have to be at other programs' expense. Meanwhile, government workers will report to work; the great furlough threat has been suspended. It seems a shame that the politicians require such a wasteful charade to do their work, but they do. Maybe next time they could just pretend that the world was ending ... but of course that is what they did this time, too.

— THE WASHINGTON POST.

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Time for a Post-Colonial, Post-Cartel Energy System

By Jim Hoagland

WASHINGTON — Remember the warm glow of the dawn of the post-Cold War era, which was still breaking over us only two months ago? Back when the biggest debate in Washington was over the spending of the peace dividend? When industrial democracies were cruising on a seemingly bottomless pool of $18-a-barrel oil and preparing to welcome the Soviet Union and its former satellites into a global free market economy? Events in 1990 will be recalled as pre- or post-Gulf Crisis. Assumptions held on Aug. 1 about the changing nature of economic, military and political power have been called into question by the invasion of Kuwait the next day.

In the rosy dawn of the opening of the Berlin Wall, economic power appeared to have eclipsed military power in a world of prolonged nuclear stalemate. West Germany's domination of the Soviet Union in dictating the terms of German unification was Exhibit A. This sentiment also surfaced in a new bit of American folk wisdom: "The Cold War is over. And Japan won."

Scholars constructed theories of national decline on the idea that military power had become a deadly luxury. The economic dynamism of the European Community and the EC's lack of interest in a strong, common military force seemed to prove the point.

In the half-century before World War II, the most powerful nations of Europe firmly believed that economic prosperity depended on the ability to make military power felt abroad. Colonialism was the overt form that this belief took. African and Asian nations were conquered and then harnessed to economic systems that benefited the consumers and industrialists, and therefore the politicians, of Europe.

Hitler's war left Europe too weak materially and psychologically to hold foreign empires. European integration rather than colonialism became the prime economic motor beyond the borders of Britain, France and the others. When communism entered its death throes last year, a global economy free of the distortions of rigid ideology, military conquest and political control started taking shape.

But Saddam Hussein showed the world on Aug. 2 that it would not be that simple. Iraq's grab of its small neighbor for its oil fields and revenues obviously demonstrates that economic power and military power continue to be intertwined beyond the Cold War.

The invasion shows something else: The world's oil-pricing mechanism has become archaic and dangerous.

A hybrid of the colonial pricing system and the economic structure of the oil industry, the present cartel arrangement inflicts damage on all economies, in rotation. If the affluent countries of the Northern Hemisphere fail to achieve the benign new order that seemed possible only 60 days ago, it will be in part because they failed to think creatively and act decisively on a global energy supply and consumption policy when they had the opportunity to do so.

Developing oil production requires long lead times and massive capital investments, which are then offset by low fixed operating costs. This creates an industry in which excess capacity is the norm. Production, and prices, can be moved up or down on the basis of political decisions about who should benefit from the law of supply and demand, and when.

Until 1973 this power to bestow or withhold benefits lay in the hands of the Western oil companies, which exercised it in colonial fashion. They passed the benefits back to their governments, which could choose low inflation (the United States) or revenues from high gas taxes (Europe). Then came the Arab-Israeli war of 1973, the Arab oil embargo and the shift of control to the OPEC cartel.

The cartel now resembles an inept Mafia mob embroiled in turf warfare. Stripped of its excess rhetoric, Iraq's justification for the invasion is that it had to stop Kuwait from charging $18 a barrel, which undercut Iraq's demand for $25 a barrel. The difference in the two prices, Saddam Hussein says, is the margin of dignity and security for the Iraqi people. He has elected himself OPEC's enforcer.

The temptation to gloat over OPEC's troubles must, alas, be tempered by the soaring oil prices the crisis has produced. The obvious need for a national energy policy continues to elude the Bush administration, but environmental and other activist groups are forcing it back on the American agenda, with proposals for higher gasoline taxes, production incentives and new conservation measures. But such plans do not go far enough. The post-Gulf Crisis world should adopt consumer-producer *agreements that would* provide regular but moderate increases in the price of crude oil, pegged to economic growth.

These would be the cornerstone of an international energy policy, similar to the arrangements proposed unsuccessfully by Saudi Arabia in the mid-1970s to prevent the boom-and-bust cycles that the world has endured in the past 15 years.

The special nature of oil as a commodity forced the multinational oil companies to depart from free market practices before OPEC took over the show. The companies were right in what they did. Once the Kuwait crisis is resolved, it is up to governments to show that they can do as well by negotiating agreements that protect the interests of consuming and producing countries. This will help ensure that pre-August 1990 was in fact a dawn of a new era and not just a parenthesis between different types of global conflict.

The Washington Post.

The West Should See Eastern Germany as an Opportunity

By Jeff Thinnes

BERLIN — A new chapter in German history now begins. Whether it will see a strengthening or a weakening of the international bonds developed with West Germany during the postwar years depends largely on the activity of non-German private enterprise.

The revelry and fireworks tonight greeting the unification of Germany cannot match the celebrations that followed last November's breaching of the Berlin Wall. That passion has been sobered by 11 months of preemptial planning. Revised forecasts of the costs of remedying the enormous economic and social lag of the East shocked German taxpayers and politicians alike.

Today the mood in Berlin and in both parts of Germany is a mixture of high excitement for the ideal of unification and palpable angst for the uncertain future.

Forty years at the mercy of Communist party planning and control have left the East German economy in shambles. The *Treuhandanstalt*, the West German agency mandated *to pick the winners and losers among the* 8,000 formerly state-owned firms in the East, has been hard-pressed to find any of them capable of surviving on its own.

There are few Western suitors for the potential survivors, with the exception of a few West German insurance, utility, banking and industrial giants. Detlev Rohwedder, who heads a Treuhandanstalt team of West German industrialists, is considering a trip through Western Europe and the United States to recruit participants for the reconstruction game. Meanwhile, unemployment and underemployment continue to climb.

Decision-making in East Germany, from the government to the workplace, was long the exclusive domain of inept party functionaries. So when East Germans breached the wall in November, they encountered an unknown obstacle — personal responsibility. The currency and economic fusion with West Germany on July 1 was not the panacea for *East Germany's economic maladies that* many of its citizens naïvely expected; instead they were suddenly faced with the need for rational economic behavior. East Germans have had to learn that each of them must take responsibility for his or her future — a future without pervasive state control but also without constitutionally guaranteed jobs and 1950s' prices for housing, food and energy.

Germans in the East are frightened by the unknowns before them. The wounds of deception and mismanagement have festered. But those in the East have now seen the stark contrasts between their chronic shortages and the abundance of the West's market economy.

And there is reason for optimism. Intellectual rigor and skilled labor are found in the East just as in the West. A competitive spirit will be resuscitated by the breath of freedom and the deep pockets of West Germany. It will take time for the mental walls erected by years of indoctrination to come down, and for the personal and social rewards of a free market democracy to become clear. But by the end of this decade the East will surely enjoy a standard of living approaching that of the unified country's western *Länder*.

Western companies would do well to listen to Mr. Rohwedder's pitch. Investment in the eastern states will have greater long-term advantages than many presume. The unification treaty has removed nearly all uncertainties *about ownership rights, private* property and treatment of old debt, clearing the way for unencumbered direct investment by foreigners. East and West Germans are actively inviting non-German firms to play a greater role in their future.

The German government offers generous investment subsidies to willing investors through June 1992, together with attractive depreciation schemes on technology transfers. Despite the horror stories about antiquated East German industries, many experts see great opportunity for willing entrepreneurs.

The German government is committed to spend hundreds of billions of Deutsche marks for swift improvements in the entire infrastructure of eastern Germany. That in itself presents opportunities for companies in sectors ranging from construction to telecommunications to electronics. In the service industry, there will be growing demand for accountants, bankers, insurers and experts in hotel and restaurant management.

Besides obtaining a windfall in the form of free entry into the European Community, a *company locating in eastern Germany will get* ready access to established trade networks through the emerging market economies in the Comecon countries. East Germans, many of whom speak the languages of Eastern Europe, possess an invaluable understanding of the cultures and norms of those countries.

There will be no honeymoon after tonight's wedding. First a common German house must be built. But German efficiency and long-term planning, helped by foreign trading partners, will overcome the East-West gap in living standards. As the military relationship fades in significance and economic relations rise on the political agenda, there will be a historic opportunity to strengthen international bonds with Germany, both on the public and the private level. It would be a shame if this opportunity were squandered.

The writer is deputy director of Aspen Institute Berlin. He contributed this comment to the International Herald Tribune.

Watch for Big Brazil to Begin Throwing Its Weight Around

By Jorge G. Castañeda

MEXICO CITY — For many years Brazil has sought an international role commensurate with its size, ambition and potential, but for different reasons in different cases the effort proved largely unsuccessful. Not even Henry Kissinger was able to deliver on his commitment as U.S. secretary of state in 1976 to give "intermediate power" status to Brazil.

Either the country was too pro-American for the rest of the Western Hemisphere (in the 1960s and part of the '70s); or it stayed aloof from some of the region's crises because it did not consider them relevant (Central America in the '80s); or it went its own way on matters of international concern — in Africa, with former Portuguese colonies, and in pursuit of a military nuclear capability.

Brazil is still far from achieving its old dream of being treated as a "great power" of global stature and influence. But it is emerging as a major regional player, rapidly replacing Mexico, and to a certain degree Cuba, as the only Latin American country with an international profile of its own. It has done so by taking a stand contrary to that of the United States on two major issues: its $115 billion foreign debt, and President George Bush's "initiative of the Americas" free trade proposal.

Cuba no longer has the Soviet Union's support and the sympathy of many Latin countries that allowed it to play an international role far beyond its means. Mexico essentially aligns itself with the United States on nearly every significant item on the bilateral agenda. Brazil is breaking ranks on these important points. What is more, it is doing so backed by a virtual consensus of its body politic.

There is an awareness in Brazil today, perhaps more than elsewhere in Latin America, that behind the free trade fervor is more than simple concern for the hemisphere's economies and "sound economic policies."

As many American economists and analysts have pointed out, the U.S. trade deficit began to diminish only after the brutal de facto devaluation of the dollar that the Group of Seven imposed on the rest of the industrialized world in 1985. But the devaluation of the dollar was not very effective — to say the least — in reducing the U.S. trade deficit in the "dollar zone," mainly Latin America. While that market does not constitute a large share of the U.S. trade deficit, it does count, particularly since all Latin American countries have reduced their imports and increased their exports to meet payments on their foreign debt.

Free trade, and through it the opening of respectably sized markets like Mexico, Brazil and Argentina, is obviously not the final solution to the U.S. trade deficit. But it contributes to that solution, as well as to making the United States more competitive in relation to Europe and Japan through greater access to cheap Latin American labor. Countries like Brazil know this. They may favor freer trade and admit that their economies need to be opened to become more competitive and technologically advanced. But Brazil has an expanding economy, with a large, diversified and regionally distributed trade surplus. It has little to gain from a free trade agreement with the United States, and much to lose — the Brazilian market itself.

This is why, while seeking to gradually bring down Brazil's protectionist walls and paying lip service to Mr. Bush's initiative, Brazilian President Fernando Collor de Mello would prefer a South American free trade zone — excluding the United States. He has thus become a leader of South American integration efforts, giving impetus particularly to the Brazil-Argentina-Uruguay integration process begun by his predecessor.

Not all South American countries will follow Brazil's lead; Chile has said no, and Venezuela is hesitant. But some will go along. By adopting the free trade banner, but using it in a sense against the United States, Mr. Collor seems to be winning for Brazil the regional role it always sought. On this matter at least, his policy appears to express a Brazilian consensus embracing left and right, business and labor, intellectuals and technocrats.

On debt, Brazil has now gone 15 months without paying interest to the commercial banks, and is $10 billion in arrears. Mr. Collor denies that he plans an outright suspension of payments, but he obviously is in no rush to resume payments or cut a deal. With a trade surplus and savings of $10 billion a year in debt service, he is under no great pressure to do so. And because he is not desperate for a deal, he will probably get a better deal when he feels ready. No wonder rumor had it in recent weeks that when John Reed, chairman of Citicorp, the country's largest creditor, came to visit, Mr. Collor refused to meet him.

Brazil's original, more independent position on debt probably will be more advantageous than those of Mexico, Venezuela or Chile.

Brazil is far too poor and unjust a nation to be a major player on the world stage. But it has become sufficiently democratic, and its economy is strong and large enough, for it to play an important role in the post-Cold War state of U.S.-Latin American relations. Watch for Brazil to take the lead in drawing the line between the *United States' interests and those of* the countries south of the Rio Grande — or at least south of the Rio Suchiate, which separates Mexico from the rest of Latin America. Those interests may on occasion converge, but not as often as the United States would like its neighbors to believe.

The writer is a professor of political science at the National Autonomous University of Mexico. He contributed this comment to the Los Angeles Times.

Let's Help the Haitians to Bring Off Their Election

By Jimmy Carter

ATLANTA — Free elections this year in Nicaragua, the Dominican Republic and even Panama provide clear evidence that democracy is following tortuous but steadily progressive paths in the Western Hemisphere. Haiti is now moving toward an election in December, but to succeed it needs the full support of the international democratic community.

The Council of Freely Elected Heads of Government, of which I am chairman, played a key role in making democratic balloting possible in these earlier elections. Based on that experience, I believe the Haitian election, in which the council is already deeply involved, may be the most difficult and dramatic of all.

Haiti is proud of its history as the second oldest independent nation in the hemisphere and the oldest black republic in the world. But for 186 years Haitians' lives have been filled with oppression and poverty.

Even in recent years, after finally overthrowing the Duvalier dictatorship on Feb. 7, 1986, the citizens have been plagued with a succession of abortive efforts to find freedom.

On Nov. 29, 1987, an election was called to fulfill promises made in their post-Duvalier constitution. Citizens who lined up to vote were mowed down by fusillades of terrorists' bullets. Military leaders, who had either orchestrated or condoned the murders, moved in to cancel the election and retain control of the government.

Two months later these generals conducted an "election" that was boycotted by almost all the previous candidates; fewer than 4 percent of the people voted. The victor was peremptorily removed when he dared to exert some independence as president.

Earlier this year, after another general was forced out of office, an interim government was formed, with Supreme Court Justice Ertha Pascal-Trouillot as acting president. Her primary goal has been to bring about a successful election.

The obstacles are formidable but not insurmountable. There is a constitutionally established electoral council that has already had to postpone the November election date. However, voter registration is now rescheduled to begin on Oct. 5, and elections are to be held on Dec. 16.

During my most recent visit to Haiti, leaders of the electoral council reported that for the first time they were receiving support from the colonels and other midlevel officers in all regions. They now have assurances of about half the financing needed for the election, with a fighting chance to meet their other needs.

In August, when the Council of State declared all her decisions null and void, President Pascal-Trouillot survived only after receiving support from the army commander-in-chief, General Hérard Abraham.

He and the president have been widely and perhaps justifiably criticized for their failure to investigate several political crimes, including the assassination of a member of the Council of State and a labor leader in a Port-au-Prince hotel.

Even more criticism has been leveled against them because of the return to Haiti of two powerful men whose apparent goals are to intimidate the people and prevent the holding of an election. One is General Williams Regala, whom many hold responsible for the election day murders in 1987. The other is Roger Lafontant, a notorious leader in the last Duvalier regime whose name still strikes terror among Haitians who know of his former misdeeds. Their presence symbolizes the ineffectiveness of the government and casts doubt on the ability of the army and police to protect citizens during the coming election period.

Economic crises also plague the country. The government is far behind in fuel payments, and there is doubt each month that it can raise cash for transportation and other needs. Unemployment may be as high as 80 percent, foreign investments are scarce and only a trickle of tourists are visiting Haiti's extraordinary historical sites. Paradoxically, these increasingly obvious troubles have awakened among many Haitians a strong determination to improve their political system.

There can be successful elections in Haiti if the United Nations, the Organization of American States, the United States and other nations will support a troubled but courageous people who hunger for freedom, justice and a better life. The OAS is eager to cooperate if moderate financing is made available. The United States has promised several million dollars to help with the election. Canada will provide paper for the ballots. West Germany has indicated *a willingness to furnish motorbikes* for election workers. Venezuela has offered to sell oil on favorable terms and to make additional contributions of services, supplies and money. It is hoped that other countries will help make possible this long overdue move toward democracy.

A crucial decision will soon be made in the United Nations. The United States has strongly supported an unprecedented request from the *Haitian president in July for UN election* observers and security advisers. All the Haitian political leaders with whom I met said such observers will be essential for a free election. The time has come for the United Nations to act as courageously for democracy *in Haiti as it has for peace in the Gulf.*

Mr. Carter, the former U.S. president, is chairman of the Carter Center of Emory University. He contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1890: Indians Confined

NEW YORK — On account of the complaints in regard to their treatment and the alleged moral and physical effects on the Indians of life abroad in the Wild West Show and because of a report that another batch were going abroad, Secretary of the Interior Noble has forbidden any Indians leaving the reservation.

1915: War Dispatches

BERLIN — The commission for the seizure of metals visited the Kaiser's Palace in Berlin on Wednesday [Sept. 29] and demanded a list of all *metal utensils* and ornaments. The Court Chamberlain ordered all the members of the Royal family to make similar lists. By the Kaiser's orders all superfluous metal utensils will be seized.

PARIS — The starlings who have made their autumn homes in the wooded country around Souchez are, it is said, producing sounds in exact imitation of the whistling of bullets, which they can hear but not see.

PARIS — The complaint of the American manufacturers that the *specifications* furnished by the Allies for arms and ammunition are so stringent as to render fulfilment extremely difficult if not impossible is an illustration of American unpreparedness for war. It is a national trait, and is the handmaiden of our supreme conceit regarding our ability to cope with and crush any foe.

1940: 27 Ships Lost

LONDON — The blackest week of the war for British, Allied and neutral merchant shipping was recorded today [Oct. 1] in official Admiralty figures which showed that between Sept. 16 and Sept. 23 the enemy sank a record number of 27 ships aggregating 159,288 tons. Of this total, 19 were British vessels with a total tonnage of 131,357.

— From the New York edition of the New York Herald Tribune.

OPINION

The 'Phony War' of 1990 Can Only Favor Saddam

By William Safire

WASHINGTON — Between the Nazi conquest of Poland in 1939 and the attack on Norway and Denmark in the spring of 1940, the world experienced what was called a "phony war."

Britain and France were not ready to fight; having declared war according to their contract with Poland, they hoped for some peaceful resolution. During their "sitzkrieg," Hitler was able to prepare for his next conquests.

The analogy to the phony war of the autumn of 1990 is imperfect: Rather than prepare for a new invasion, President Saddam Hussein of Iraq is using the time to obliterate the national identity of Kuwait, to round up thousands of Western hostages, and to rush to completion new weapons of terror.

But the sitzkrieg similarities are striking in the West.

Iraq's war on the world began with the blitzkrieg of Aug. 2: the world responded with a blockade and a massing of forces; now we have entered a period of sitting around waiting for the aggressor to make the next move.

The Iraqi dictator makes conciliatory noises as he goes on raping a nation and building defenses.

"Let the sanctions work" is the battle cry. Hunger, a shortage of spare parts, and the thunder of international tut-tutting is supposed to drive the dictator to his knees, or at least bring him to his senses long enough for a "peace process" to begin.

In the United States, the House speaker, Thomas Foley of Washington, and the Republican leader of the Senate, Bob Dole of Kansas, join in cautioning against going beyond blockade: the man likeliest to be the next Democratic candidate for president, Governor Mario Cuomo of New York, will not even entertain a question on the subject.

At the United Nations, the French president, François Mitterrand, breaks the united front to offer the aggressor a way out: merely promise to withdraw from Kuwait at some future time, and the matter can be turned over to the diplomats.

Saddam Hussein, now making conciliatory noises, may seize on this first flash of weakness to make such a promise.

He pretends to be ready to give up his conquest — after Israel and Syria also give up their triumphs, glories and spoils. His promise would be cost-free; he would never have to deliver.

The Iraqi dictator will never voluntarily disgorge Kuwait. He will never agree to the peaceful dismantling of his military power. He will never allow inspection of his poison gas, germ warfare and nuclear plants.

People who think he can be starved or charmed into these actions — our phony warriors — not only give him the time he needs to rape and repopulate a nation, but make it possible for him to inflict many more casualties on the United States in the showdown.

And that showdown is inexorable. In giving back his conquests to Iran to protect his back, Saddam Hussein has burned his bridges. If he withdraws from Kuwait, he admits to being a fraud and a coward and invites his overthrow; if he lashes out now at the Saudis or Israelis, he commits suicide.

In such a corner, his only hope is to delay a showdown until such time as he can detonate a nuclear device or terrorize the world with an outbreak of disease. Those are his equalizers; the will and the ability to murder on a grand scale would make him a superpower.

We can dismiss the Saudi-inspired rumors of a conspiracy among the dictator of Iraq, the king of Jordan, and the Sally in our Alley in Yemen to take over the oil fields of Araby. Saddam Hussein is not the sort to share power.

We should treat seriously, however, the data from intelligence sources that suggest that he may soon "weaponize" his biological threat.

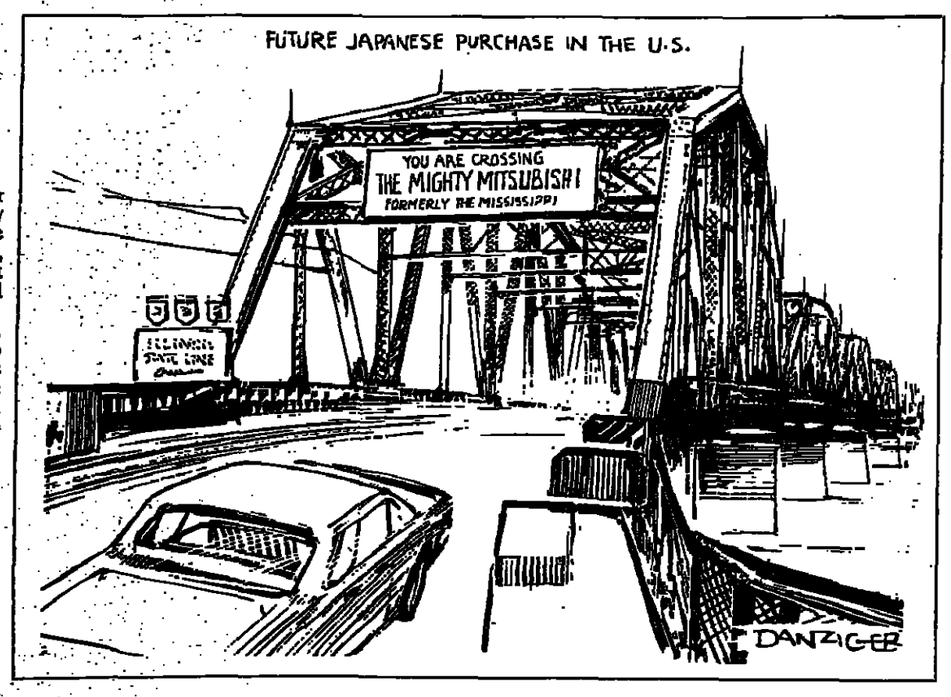
Worse, he may not wait three years to produce a nuclear warhead for his missiles; using the enriched uranium now in his possession, he may be able to test a nuclear device sooner than was thought near the border of Saudi Arabia.

The potential exposure of troops on both sides to radiation is not some alarmist nightmare, but a possibility that must be taken into consideration by a defense establishment that was driven out of Lebanon by a single terrorist in a truck. A U.S. threat of massive retaliation is meaningless; a deterrent to a rational leader is an incentive to a martyr.

When dealing with a callous murderer who sees himself as Saladin reincarnate, we cannot limit our goals to the rollback that President George Bush has "publicly stated." Appeasement in the form of compromise that allows the dictator to grow stronger is anti-humanitarian; it would cost many more lives than it purports to save.

We must stop pretending the phony war accomplishes our solemn purpose. We must rid ourselves of Saddam Hussein before he achieves the means to rid himself of us.

The New York Times.



Land of the Worried Well: Jittery Times for America

By Ellen Goodman

BOSTON — I have come back with no poll in my pocket. I have brought home no statistics in the carry-on bag that was wheeled through half a dozen airports in recent weeks, following an erratic course as far from New England as Nevada and Montana.

What I have collected in a score of conversations are not scientific samples. They are stories, impressions, echoes of anxieties. And yet, as I unpack these

MEANWHILE

verbal souvenirs and look them over, they seem as representative of the country as the snow shakers, T-shirts and mugs sold in every airport shop.

How to describe middle-class America in the fall of 1990? If I were a doctor, I would call it the land of the worried well. I haven't been with many who believe the country is suffering from a terminal disease. They know America is healthy compared to much of the world. But a bad case of the jitters is going around.

The people I talked with share a vague aura of dread. It is as if the whole country had gone in for a CAT scan and was awaiting the results. We Americans are not sanguine about the future.

Some of the symptoms are those of war jitters. A dinner companion in Delaware says, "We are not at war ... YET." He sounds like a man waiting for the other combat boot to drop.

A traveler in Salt Lake City, Utah, shares the fear that the United States will precipitate fighting. If our soldiers are there, I am told warily, they will be used. A woman in Cleveland, a community volunteer, asks me earnestly: "Isn't there a general in the Pentagon in charge of getting us OUT of conflict?"

The jitters also come in a domestic strain, equally or perhaps more virulent. The middle class is hunkering down. The Dow-Jones index, the price of oil, the Japanese, the banks, the deficit: These words are rattled off repeatedly like the 10 early warning signs of cancer.

Out West, high-stakes enterprises seem to have less allure than job security. Nearer home, in a coffee shop, a teacher talks of colleagues who became real-estate agents. Once she envied their commissions; now they envy her paycheck.

The list of symptoms would be far from critical without those other nagging fears that came to me repeatedly labeled like this: Environment. Children.

One day, in Montana, as I stood sputtering every cliché about the beauty of the Big Sky country, I was told in no uncertain terms about pollution in the pristine landscape. Later, at dinner in Billings, the talk turned to family, to young children who do not get enough attention, to older ones who cannot get established.

"Don't you think it's harder for them than for us?" I am asked.

If jitters abound, few sufferers look to politics as a preventive. In most gatherings, I was the one who asked about elections. Rarely did anyone grant politicians the will or the power or the willpower to change the course of the future.

I did not find America to be an emergency room full of patients. I did not come home weary of whiners. But when you fill the national medical chart with myriad impressions, Americans seem as uneasy as a family in the waiting room.

For the first time in my memory, people believe that many systems are breaking down at the same time: schools and bridges, families and peace, the economy and the Earth.

Indeed, on the last day of my travels, a systems analyst said, laughing, "It's like one of those messages on the computer screen: All systems going down."

I don't pretend to know whether there is something catastrophic coming on. But it is clear that the feel-good era is over. No one is whistling "Don't Worry, Be Happy" anymore. In America, even the well are worried.

The Boston Globe Newspaper Company.

LETTERS TO THE EDITOR

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Tell Us About It

Regarding "The Man From the Vatican Merely Pinched Her Cheek" (Sept. 19) by Anna Quindlen:

Ms. Quindlen cites the case of two former religious sisters asked to resign from their congregations because they signed a newspaper advertisement accepting the possibility of abortion.

As Ms. Quindlen and the two former sisters would say, "Tell me about it."

Religious sisters, as members of religious congregations of the Roman Catholic Church, have a special obligation to reflect the example and teaching of Jesus. Jesus repeated the commandment in the Law of Moses, "Thou shalt not kill," and both Sacred Scripture and early Christian leaders were consistent in including abortion — the direct taking of innocent human life in the womb — as falling under that commandment.

Other sisters, such as Mother Teresa, have chosen to show the love of Jesus both for mothers and for the children to whom they have given birth under difficult circumstances. The decision to take innocent human life, no matter how well-intentioned it may be, cannot be a sign of compassion; caring for both mother and child is.

As to the editorial writer Ms. Quindlen quotes as saying that the Catholic Church is un-American, may I say this: The church has members of every race, ethnic group, social background and economic standing in America. Its schools are open to members of all races and creeds in American inner cities, where they offer that unique opportunity for success in a democracy, a quality education. Its hospitals, orphanages and homes are equally open to all.

So, Ms. Quindlen, tell me about it.

Archbishop JOHN P. FOLEY.
President of the
Pontifical Council for Social
Communications. Vatican City.

Keep Israel Out of It

The proposal for convening an international conference to discuss the Iraqi-Kuwaiti conflict in conjunction with other conflicts in the Middle East, put forward by some politicians, must be categorically rejected. Such a linkage of issues not directly related may only provide respectability to the specious arguments of the Iraqi aggressor, without helping resolve the remaining disputes in the region. To believe that Saddam Hussein would leave the Kuwaiti oil fields in exchange for Israeli withdrawal from the West Bank or for Syrian withdrawal from Lebanon is worse than naïveté. It is utter stupidity.

JOZEF GOLDBLAT.
Geneva.

Regarding "The Saudis Need More Than Arms" (Opinion, Sept. 21):

Jacob Goldberg's argument — that there is no point in arming the Saudis because they are incapable of defending themselves and are an unreliable basis for U.S. regional security needs — rests on the evidence that the Saudis called for U.S. help when faced with a possible Iraqi invasion. If every Saudi attempt to purchase arms from the United States was not met with pressure by the pro-Israeli lobby, the Saudis might now have enough arms to defend themselves. It is this imposed dependence that has kept Saudi Arabia from building up its forces.

A. W. SAMII.
Cambridge, England.

No Generation Gap Here

Regarding "From Comedy to Tragedy: Time to Rethink U.S. Budget Deficits" (Opinion, Sept. 18):

Peter G. Peterson, the former U.S. commerce secretary, perpetuates an old myth when he compares federal spending for the elderly with federal spending for youth. In the United States, most government spending for young people is from state and local taxes, while most government spending for the elderly is from federal taxes. When total public spending for the two groups is compared, a balance emerges. Moreover, children don't pay taxes whereas older people did — and frequently still do

THEODOR SCHUCHAT.
Washington.

He's Not of the Fringe

A. M. Rosenthal's attack on Patrick Buchanan for his snide anti-Semitism *("No Excuse for Such Ugliness," Sept. 15-16)* is well-documented and fully justified. But Mr. Rosenthal treats Mr. Buchanan as a loose cannon, a right-wing extremist who once wrote speeches for Presidents Nixon and Reagan. He is much more than that.

Patrick Buchanan is not on the lunatic fringe of the Republican Party; he is a respected member of its establishment, with a voice in administration policy.

Neither President George Bush nor the party's national chairman, Lee Atwater, has disowned Mr. Buchanan or repudiated his statements. Until that happens, I will assume that he has their blessing.

AARON STERNFIELD.
Morges, Switzerland.

When East Meets East

Regarding "When East Meets East in the West" (Meanwhile, Aug. 1):

As a journalist from Bangladesh, I have found that Third World women encounter all the traditional difficulties of acceptance in a male-dominated world plus a few their Western sisters are spared. One is the reaction of fellow South Asians — disapproval that one is neglecting domestic duties; incomprehension that a woman would choose to pursue a career. At best, women professionals are treated by Third World men with condescending tolerance, at worst, with impatient mutterings and curt dismissals.

But all of this, I am afraid, will not persuade me to return to the kitchen.

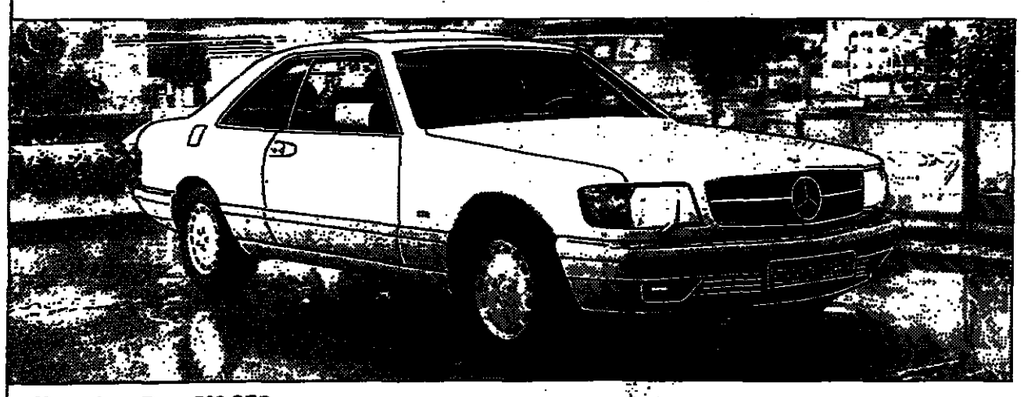
FARHANA HAQUE RAHMAN.
Rome.

The 'ize' Don't Have It

Help! Even William Safire is doing it. He recently used the word "incentivize." What is he trying to do? Similarize all English verbs?

EDWARD SAINATI.
Barcelona.

DUBAI DUTY FREE'S FINEST SURPRISE CONTINUES...



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Serbs in Croatia Claim Autonomy in Republic

By Chuck Sudetic
New York Times Service

BELGRADE — In an atmosphere of mounting ethnic tension, Serbs in the Yugoslav republic of Croatia declared the republic's predominantly Serb-populated counties to be autonomous on Monday.

The declaration, based on the results of a vaguely worded "referendum" on Serb autonomy conducted over the past two months, was signed by Milan Babic, according to a Yugoslav press agency report. Mr. Babic is head of a self-proclaimed parliament, the Serbian National Council.

More than 99 percent of the 750,000 votes cast in the "referendum" favored autonomy, the report said. Serbs constitute only 11.5 percent of Croatia's 4.7 million people, but any Serb born or living in Croatia was allowed to vote.

The autonomy declaration comes after a weekend of unrest in Croatia's Serb-populated counties. Extreme nationalist opposition political figures in Serbia threatened Monday to form paramilitary units "to defend" the Serbs in Croatia if the Yugoslav government did not take steps to do so.

The unrest began after Croatian police units began confiscating arms and ammunition from police stations in Serb-dominated areas.

On Friday night, a group of Serbs broke into an arsenal in a police station in the town of Glina and made off with weapons. About 230 rifles, 150 pistols and 100,000 rounds of ammunition have disappeared from police stations in predominantly Serbian areas of Croatia since Friday, Milan Brezak, an undersecretary of Croatia's interior ministry, said Monday on Zagreb radio.

Late Sunday night an anonymous group based in Knin, an almost completely Serb-populated Croatian town, blockaded area roads and rail lines in reaction to police detention of Serbs for illegal possession of weapons and for disorderly conduct, a press agency report said.

Rail traffic was reported to be moving smoothly Monday night, but barricades still blocked several main roads, radio reports said.

Jordan, in Retaliatory Move, Closes Borders to Saudi Trucks

By Alan Cowell
New York Times Service

AMMAN, Jordan — Jordan closed its borders Monday to trucks bound for Saudi Arabia and the Gulf in response to Saudi measures that reportedly have halted the flow of Jordanian truck traffic, government officials said.

The move was part of an uneven economic and diplomatic war brought upon this small and impecunious kingdom by its tilt toward Iraq in the Gulf crisis.

Last month, Saudi Arabia severed oil supplies to Jordan because of its stance in the crisis, and Jordanian officials said that left them no option but to continue oil imports from Iraq, despite the international embargo on Baghdad.

The conflict with Saudi Arabia has left Jordan facing a severe economic crisis.

Jordanian officials, who spoke in return for anonymity, accused Saudi Arabia of preventing Jordanian trucks from transiting Saudi Arabia to the countries of the Gulf.

In economic terms, a conflict over truck traffic has a particular importance because the region is latticed with truck routes leading from countries that include Turkey, Lebanon, Syria and Jordan to Saudi Arabia and the Gulf states.

News reports here say that about 270 Jordanian trucks have been held up at Saudi border points, reflecting Riyadh's opposition to Amman's stance.

■ U.S. Names F-15 Victims

The U.S. military command on Monday identified two pilots who were killed when their F-15 jet fighter crashed during an exercise in Saudi Arabia, news agencies reported from Dhahran, Saudi Arabia.

The authorities said the victims of the accident Sunday were Major Peter S. Hook, 36, of Bishop, California, and Captain James Poulet, 34, of San Carlos, California.

They were the first air force personnel reported killed in Saudi Arabia since Operation Desert Shield began. Their F-15, assigned to the 4th Tactical Fighter Wing, was on a routine mission. An F-16 crashed earlier but the pilot was not hurt.

Three other U.S. servicemen had been killed in accidents in Saudi Arabia since the start of the buildup. *(AP, Reuters)*

BUSH: *President, at UN, Renews Call for a Peaceful End to Gulf Crisis*

(Continued from page 1)

be used to pay compensation to Kuwait for the systematic looting and destruction of Kuwaiti property under the Iraq occupation. British officials said the Americans listened carefully but did not commit themselves to the proposal. Mr. Bush, in his speech, acknowledged that Iraq "has plundered Kuwait."

Mrs. Thatcher went public with her plan on American television, where she said: "His aggression must not pay. You can't go in and cause all the damage and desolation and damage to life that Saddam Hussein has caused without expecting to pay some compensation for that."

In his General Assembly speech, *the president mentioned Middle* East negotiations in an almost offhand manner.

After saying that the United States sought a peaceful outcome, he added:

"And one more thing — in the aftermath of Iraq's unconditional departure from Kuwait, I truly believe there may be opportunities for Iraq and Kuwait to settle their differences permanently; for the states of the Gulf themselves to build new arrangements for stability; and for all the states and peoples of the region to settle the conflict that divides the Arabs from Israel."

Mr. Bush proposed that the United Nations assist in drawing up "an absolute, worldwide ban" on chemical weapons, building on the U.S.-Soviet agreement to stop producing poison gas and to destroy their stockpiles.

The president's broader message was of a new world order founded on the breaking down of East-West barriers in Europe and international security through the United Nations.

"I see a world building on the emerging new model of European unity," he said. "Not just Europe, but the whole world, whole and free.

"This is precisely why the present aggression in the Gulf is a menace not only to the region's security, but to the entire world's vision of our future. It threatens to turn the dream of a new international order into a grim nightmare of anarchy, in which the law of the jungle supplants the law of nations."

PRESSURE: *No Split on Iraq*

(Continued from page 1)

official said, seemed to harbor hopes that talks could lead Mr. Hussein from concession to concession whereas Washington was convinced *that his diplomatic overtures* only masked his determination to keep Kuwait.

Mr. Mitterrand's spokesman insisted Monday that "there is nothing between France and Iraq which could be described as negotiations" about the Gulf crisis.

Washington earlier expressed concern that Mr. Mitterrand had implied that "negotiations" could start with Iraq when Baghdad promised to pull out of Kuwait and before UN forces had replaced the Iraqi occupiers.

Paris reassured Washington this weekend that France envisaged talks only after Iraq withdrew and that an ambiguous phrase in Mr. Mitterrand's speech — calling for "withdrawal of military forces" — referred only to Iraqi troops, not to Western forces.

Mr. Bush, while not taking issue with France in his UN speech, rejected French suggestions that a settlement might involve a change of government in Kuwait. He also differed with Mr. Mitterrand about linkage with the Palestinian issue.

He suggested, however, that prospects for settlement of the Palestinian question might improve in a climate of Western and Arab cooperation in the Gulf.

Europeans have expressed their consternation about the French initiative, characterized as "premature" by the Belgian foreign minister, Mark Eyskens.

"I may personally add that the whole initiative was not considered within the European Community," he said Monday, chiding France for ignoring its own calls for closer EC consultation on foreign policy.

GERMAN: *Invisible Changes Cut Deepest in the East*

(Continued from page 1)

something. We're just being taken over."

And as the impact of their July 1 overnight conversion to a market-based economy has hit — and hit hard — many East Germans have come to fear not only the change but themselves.

Pointing to repeated attacks on foreigners, they worry that the masses of unemployed will turn to nationalism as an easy answer to a hazy future.

A recent psychological study of East German youth found that 26 percent of them said all foreigners should be kicked out of the country, nearly twice the anti-foreigner sentiment that West German youth expressed.

"We are so hesitant, so unsure of ourselves," said an East German government spokesman, Matthias Gehler. "No one really knows whether they will be able to make it in a competitive society."

Michael Froese, a Berlin psychiatrist flooded with new patients straining to adjust to the new society, said that the Communist system "drained the vigor from our society and left many of us with a sit-it-out mentality."

Even now, many East Germans facing unemployment sit at home and wait. They may know rationally that there is no more bureaucracy to give them a new position, but they cannot face going out to make their own way.

In a West German television poll, 78 percent of East Germans queried said they expect to be second-class citizens in the new Germany for a long time.

Those who try to hold their own against their rich neighbors have found the going rough. "I feel I have to personally show the Westies what was good about the East," Mr. Scheffler said.

"Why try to convince them?" replied a friend of his, Guido Tuschke, a law student. "Nobody there believes it anyway."

Still, although they live in a wholly different place — a land where the air makes you cough, the ground water is ruined, the phone system is prewar and the railroads are largely unelectrified — a strong strain of optimism runs through much of East Germany.

East Germans chose to go west rather than reshape their own artificially created country.

Now, whatever their anxieties, they are not about to give up the new life, with its rich variety of food, technological marvels and freedom to complain and create.

FREE: *Prisoner Release*

(Continued from page 1)

with Iran freeing a British businessman, Roger Cooper, "within the next few days to warm up the newly resumed diplomatic ties between Britain and Iran."

Mr. Cooper has been in prison in Tehran since 1985. Iran says he is a spy and was convicted last year, but has not disclosed his sentence.

Ad Diyar said that after Mr. Cooper's release, pro-Iranian Shiites in Lebanon would free their British hostages.

Pro-Iranian kidnappers of 12 Westerners, including six Americans and three Britons, have made the release of hundreds of Arab prisoners held in Khiam and Israeli jails one of the conditions for freeing the hostages.

"We hope that this step will be reciprocated by the other side," the statement said.

But the South Lebanon Army leader, Antoine Lahd, said the release of the 40 marked the birthday of Mohammed and was a "humanitarian gesture."

About 3,000 militiamen serve in the South Lebanon Army and patrol the security zone with Israeli soldiers. The buffer strip was set up by Israel in 1985 to protect its *northern border from guerrilla attack.* *(Reuters, AP)*

Mubarak Asserts Israel and Iraq Are in Contact

Compiled by Our Staff From Dispatches

PARIS — President Saddam Hussein of Iraq is secretly in contact with Israel, President Hosni Mubarak of Egypt said Monday.

"I know, we all know, that he's in secret contact with Israel," Mr. Mubarak said on French television. He also said he was "convinced that Israel will not attack Iraq without a clear reason."

Avi Pazner, spokesman for Prime Minister Yitzhak Shamir of Israel, said of the remarks, "We don't know anything about that."

Mr. Mubarak said he believed that "even if Israel and Syria withdrew from Lebanon, Iraq would not withdraw from Kuwait." He said Mr. Hussein "would be in danger" at home if he pulled his troops out. "After having given everything *back to Iran, his people will begin* to ask questions." *(AFP, AP)*

ISRAEL: *Gas Protection*

(Continued from page 1)

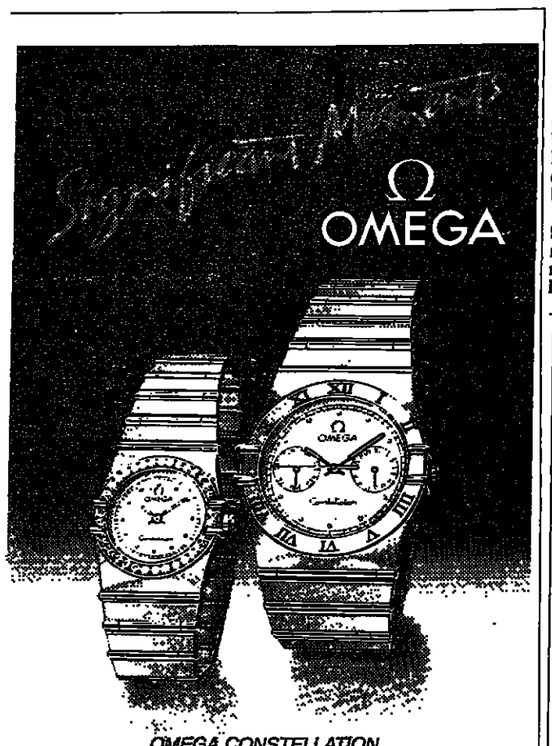
million Palestinians living in the West Bank and Gaza Strip.

"The army didn't ever think that residents of the territories would be a target," General Shai explained.

So the military is in the process of purchasing masks for the Palestinians as well. The army said Palestinians will be required to pay for their masks, while the protective gear is being handed out to the Israeli public, both Arabs and Jews, for free. The army argued that Israelis have already paid for their kits in their taxes.

Although the government stressed that the threat to Israel had not increased in recent days, Monday a senior Israeli military analyst said some military officials have become increasingly concerned that if "Saddam Hussein feels he is really cornered by the Americans and the sanctions, he may decide his best option is to attack us before the forces in Saudi Arabia attack him."

The United States has pledged to attack Iraq, if Iraq attacks Israel. But the reasoning behind the Israeli concern is that Syria, Saudi Arabia and the other Arab states aligned against Iraq might not join the United States in its attack, if the *immediate provocation was an* Iraqi attack against Israel.



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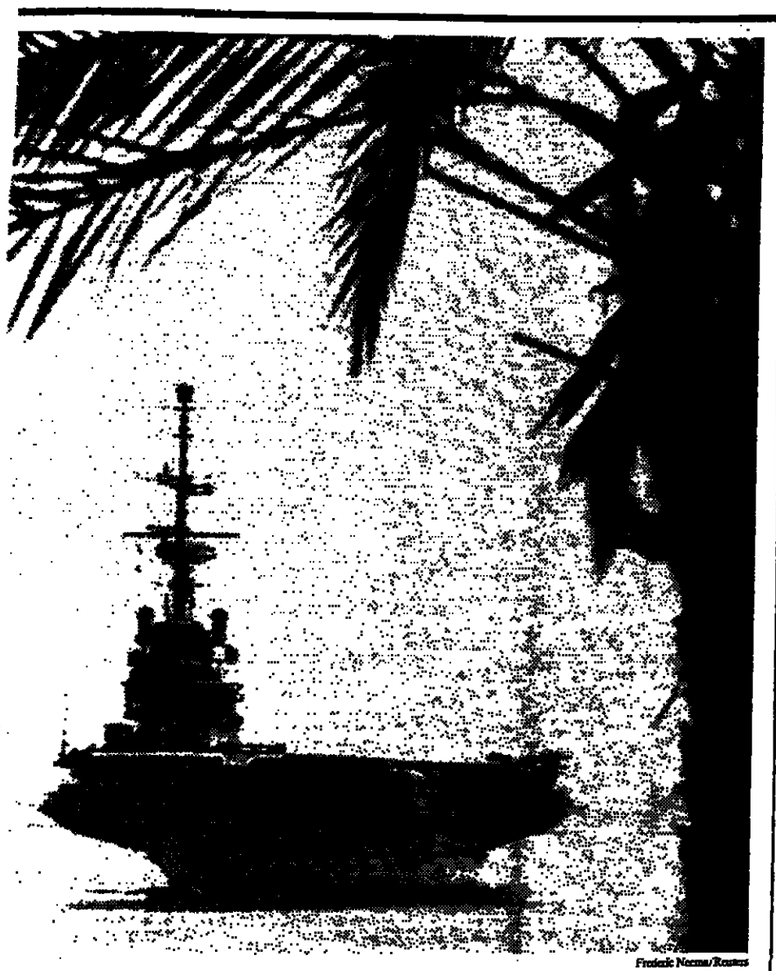
E GULF: Saddam Hussein makes a 'humanitarian gesture' to France as U.S. warns its citizens of potential terrorist attack



Frederic Neema/Reuters

MENCEAU RETURNS — The French aircraft carrier Clemenceau sailing through the : Canal Monday on its way back to the Mediterranean after delivering 40 anti-tank copters to the French forces at Yanbu, Saudi Arabia, for use in the Gulf confrontation.

Baghdad Frees 9 French Seized as Human Shields

Compiled by Our Staff From Dispatches

NICOSIA — President Saddam Hussein of Iraq followed up a call for dialogue in the Gulf crisis by releasing nine Frenchmen on Monday whom he held as human shields at potential military targets.

The Iraqi press agency, INA, said Mr. Hussein, who has welcomed parts of a peace proposal introduced by President François Mitterrand, ordered the releases as a "humanitarian gesture."

But France, which has told Mr. Hussein that he must pull out of Kuwait and release all hostages as a first step to a settlement, said it was not engaged in any negotiations with Iraq over the Gulf crisis.

"There is nothing between France and Iraq which could be described as negotiations," said the presidential spokesman, Hubert Vedrine.

He said there were "normal diplomatic contacts between officials concerning the hostages."

These contacts involved the French chargé d'affaires in Baghdad and Iraq's ambassador to Paris, Abdul Razzak Hashimi, he said.

Mr. Hussein, who called for early dialogue Sunday, is refusing to bow to international demands that he withdraw from Kuwait.

The Iraqi agency, monitored in Nicosia said: "President Saddam Hussein has issued orders to allow some French guests to leave Iraq in the company of Mr. Gilles Munier, the president of the Association of Franco-Iraqi Friendship."

INA, the report added, "has learned that nine Frenchmen are included in this humanitarian gesture."

About 6,000 Westerners are still stranded in both countries. Some are hiding in Kuwait. It is not known how many have been moved to protect Iraqi installations.

France, once a friend and major arms supplier to Iraq, has ordered 13,000 troops to the Gulf. A fresh contingent arrived in Saudi Arabia on Monday.

Almost 300,000 Western and Arab troops, most of them deployed in Saudi Arabia, are digging in opposite an estimated 400,000 Iraqis.

Diplomats in Baghdad interpreted Mr. Hussein's move as a fresh attempt to draw France away from the broad anti-Iraq front.

President Hosni Mubarak of Egypt criticized Mr. Mitterrand for suggesting in his initiative that elections be held in Kuwait after a possible Iraqi withdrawal.

"Egypt is favorable to a diplomatic solution but I have a remark to make about the president's call for democratic determination for the people of Kuwait," Mr. Mubarak told Le Figaro.

"We have to insist on the return to Kuwait of its legitimate government."

To accept replacing Kuwait's emir, Sheikh Jaber al Ahmad as Sabah, "would be to accept in advance that any Gulf country could invade its neighbor to change its head of state" Mr. Mubarak said.

In Moscow, a Soviet weekly newspaper said that about 300 Soviet oil workers in Iraq feared for their lives and have appealed to Moscow to help them get home quickly.

The paper, Arguments i Fakty, said the workers at an oil well in Iraq were living "practically as hostages," had little food or fresh water and were occasionally shot at by armed Iraqi teenagers.

Quoting a visitor to its Moscow office, the paper said Iraqi teenagers amused themselves by pretending to snipe at the Soviet workers with automatic weapons supplied by the army. On one occasion, it said, a Soviet ambulance driver was shot and his leg had to be amputated.

Arguments i Fakty published the text of a letter drafted four weeks ago by representatives of the trapped Soviet workers pleading for help. *(Reuters, AP, AFP)*

Expert Says Terrorists Mass in Iraq And Plan Attack on U.S. Interests

By Barry James
International Herald Tribune

A leading terrorism expert said Monday there was abundant evidence that a guerrilla attack against U.S. interests is in the making, with up to 1,400 Palestinian terrorists massed in Baghdad.

The State Department took the unusual step this weekend of warning Americans through the Voice of America of "growing indications" that they could be the target of attacks in the near future. The department was criticized for not publicizing similar indications before the bombing of Pan American World Airways Flight 103 over Lockerbie, Scotland, in December 1988.

The expert, Robert Kupperman, senior adviser at the Center for Strategic and International Studies in Washington, said in an interview that a major terrorist attack could spark a war "because I think the United States is looking for almost any excuse to get into one right now."

He said that nearly all the Palestinian terrorist leaders have moved their bases to Baghdad, including Sabri Banna, otherwise known as Abu Nidal, whom he described as the most ruthless of them.

Mr. Nidal, whose organization attacked the Rome and Vienna airports in December 1985, killing 16 people and wounding 60, heads what is believed to be a financially sound organization, with income from patron states and a network of business companies and front organizations.

Mr. Kupperman said the Nidal organization is believed to have up to 400 members in Baghdad, even after killing an estimated 150 guerrillas in an internal purge.

"What scares the hell out of me is not whether Saddam Hussein has provided access to chemical and biological weapons, but whether Abu Nidal has in fact got them through his other connection, namely Gadhafi," he said, referring to Colonel Moamar Gadhafi, the Libyan leader.

Newsweek magazine said in its current edition that counterintelligence operations have picked up evidence of "preoperational planning against military and diplomatic targets." Mr. Kupperman said that evidence would be consistent with the way that the terrorist groups prepare major attacks.

The first terrorist assault against countries taking part in the United Nations embargo against Iraq occurred last week in Djibouti, the main staging post for French forces. A grenade hurled onto a crowded café terrace often crowded with off-duty French troops killed the 9-year-old son of French officer and injured 15 other people. Iraq said Monday it had nothing to do with the Djibouti attack.

Frank Brenchley, chairman of the Research Institute for the Study of Conflict and Terrorism, in London, which itself narrowly escaped a terrorist bombing last week, said he was "a bit skeptical" that an attack against American interests might be mounted soon.

He said that judging from the Lockerbie bombing, it would take five or six months to get people into place and organize the operation.

On the other hand, terrorists are reported to have been gathering in Baghdad since the spring, and may already have been planning an operation for several months.

"If you don't have to travel I don't think this is the time to do it," Mr. Kupperman said. "I am bothered by the obvious at this time."

mericans, in Poll, Balk at War

By Michael Oreskes
New York Times Service

ASHINGTON — Americans whelmingly support President rge Bush's goals in the Gulf but not ready to start a war for n, according to a study of pubpinion just released.

he results of the survey, conted for Americans Talk Securi a bipartisan group of polling l consulting firms, are being isd at a time of increasing concern Washington that options short war may not be adequate for cing Iraq out of Kuwait.

but 9 out of 10 Americans are ready for their country to start ar. And nearly half of those eyed suggested that they would be suspicious if the United States said Iraq had started a war.

Seven out of 10 people said the United States should not even consider starting a war until the economic blockade of Iraq and Kuwait and other initiatives have been given a chance to work.

Two in 10 said the United States should never start a war in the Gulf under any circumstances.

One in 10 said the United States should go to war now.

Among those who wanted to wait and see whether sanctions worked, the overwhelming majority said that the United States should get ready for a war and stay ready, but never start one.

In one does start, Americans do not want another military stalemate. Asked what they would do if war did break out and then reached a stalemate, 73 percent said they would favor launching a all-out attack to win.

Two-thirds of the Americans surveyed said they were not at all convinced by the suggestion: "The longer we wait the more things can go against us. If the president thinks we can win, why wait?"

One thousand adults were interviewed between Sept. 21 and 26 for the survey, which had a margin of sampling error of plus or minus 3.2 percentage points.

The survey consisted of 62 questions about the Gulf, making it by far the most extensive made public to explore U.S. opinion.

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NORTHWEST AIRLINES

Choosing No. 2 Lama in Tibet Is Religious, and Political, Act

By Nicholas D. Kristof
New York Times Service

SHIGATSE, Tibet — Perhaps he is crawling about a remote village somewhere on the slopes of Mount Everest, perhaps he is not even born yet, but a small Tibetan boy will be plucked from his home sometime over the next few years and proclaimed the reincarnation of one of Buddhism's holiest figures — and thus be given the chance to help determine the future of Tibet.

Already oracles are being consulted and holy lakes studied for divine hints as the search begins for the 11th Panchen Lama. The position of the Panchen Lama is second only to that of the Dalai Lama in Tibetan Buddhism, and the faithful believe that after the death of one such high lama he is reincarnated as an infant who can be found through various divine signs and ceremonies.

The infant will be the successor to the 10th Panchen Lama, a round and kindly man who died here in January 1989 at the age of 50. The search for the child is laced with politics and intrigue, for the infant who is chosen will eventually be enormously influential in determining whether his countrymen press for independence or accept their present lot as an "autonomous region" within China.

"We're praying for his rapid reincarnation, but we don't know when or where we'll find the boy," said Barsan, a senior lama at the Tashilhunpo Monastery, the traditional seat of the Panchen Lamas.

In a dim temple of the monastery, the embalmed body of the 10th Panchen Lama is seated in a glass case, his face covered with gold leaf and his body treated with rare mountain herbs to keep it from rotting. His eyes gaze fixedly at the red-robed monks who pray in front of the corpse every day, all day, that he will be speedily reincarnated.

Politics intrudes into the search for the reincarnation because of the tussle now under way over the future of Tibet, between the Chinese authorities and many independence-minded Tibetans grouped around the exiled Dalai Lama.

While no one can predict what views the boy will eventually hold, he is probably more likely to favor links with China if he is born in China and if his family approves of Beijing's rule. If the Panchen Lama were discovered among the anti-Communist Tibetan exiles in northern India, on the other hand, the child might grow up to support the independence movement.

The Tashilhunpo Monastery, to which the Chinese leadership has assigned primary responsibility for selecting the infant, traditionally has been closer to China than have the monasteries around Lhasa. And so these days the senior monks here seem to reflect the Chinese view that the search should be conducted only on Chinese territory, including Tibet, and that the Chinese leadership has the right to approve the selection.

"Historically, the child Panchen Lama was confirmed by the Dalai Lama and by the Chinese emperor," Barsan said.

A Chinese official present interjected: "It used to be the emperor, and now it's the State Council." The State Council is China's cabinet.

Pinzuo, another senior lama at Tashilhunpo, a warren of mud-brick temples set against a hillside, was even more explicit.

"The Chinese leadership should approve the new Panchen Lama, because that's the way it was in the past," he said. "And the new Panchen Lama will be from Chinese territory, because that's the historical pattern."

The process of choosing the infant Panchen or Dalai Lama usually begins with the most senior lamas studying various oracles as well as the surface of holy lakes for images hinting at where to conduct the search.

Then the monks spread out looking for the child and find several infants who meet the criteria supplied by the oracles. These children are shown objects belonging to the deceased lama, along with various other trinkets. Only the child who correctly grabs what belonged to the dead lama is proclaimed the reincarnation.

While the 10th Panchen Lama was sometimes regarded as a pawn of the Chinese, because of his frequent speeches against political unrest and independence, he spent many years in the 1960s and 1970s in Chinese prisons, and he is said to have intervened privately on many occasions to get a better deal for Tibet.

Just a few days before his death, he made an unexpected speech suggesting that Chinese rule had done Tibet more harm than good, prompting some suspicious monks to accuse the Chinese, without any apparent evidence, of having poisoned him.

Mark Avery/The Associated Press

BIG DAY IN THE GREAT HALL — Li Xiannian, China's former president, left, listening to Prime Minister Li Peng during a National Day reception in Beijing's Great Hall of the People. Newspapers boasted of a triumph over Western economic sanctions ordered after the crackdown on democracy protesters in June 1989. Newspapers also trumpeted the hosting of the Asian Games and the thwarting of the student protesters as signs of Communist invincibility.

Seoul Can See Ties to North

Compiled by Our Staff From Dispatches

SEOUL — President Roh Tae Woo said Monday that the establishment of diplomatic ties with Moscow signaled an end to the Cold War on the divided Korean Peninsula and could lead to reunification in a decade.

"The fact that our relations with Moscow are normalized is spurring change in the security situation on the Korean Peninsula also," Mr. Roh said as he reviewed troops on Armed Forces Day. "Inter-Korean relations are thus approaching a major turning point."

The ties between Moscow and Seoul, which were announced at the United Nations on Sunday, could spur Pyongyang to end its policy of isolation and confrontation, Mr. Roh said.

He urged the military to prepare for reunification. For years, it was their task to oppose it.

"Our armed forces should look beyond the current South-North confrontation across the demilitarized zone and begin preparations for the day of unification," Mr. Roh said.

The confirmation of Seoul-Moscow relations followed a week of surprise announcements in Beijing, Pyongyang and Seoul on developments in North-South ties.

In Beijing it was announced that the two Koreas would meet in soccer matches this month.

The games, in Pyongyang Oct. 11 and in Seoul Oct. 23, will be the first between North and South Korea in each other's capitals.

The countries have scheduled a meeting for Friday in Panmunjom, the North Korean border village, to discuss the matter of Korean membership in the United Nations.

Prime Minister Kang Young Hoon is to go to Pyongyang this month for a meeting with his counterpart, Yon Hyong Muk.

The two leaders met in Seoul last month in the highest level inter-Korean meeting since the peninsula was divided in 1945. *(AP, Reuters)*

Wary About Pakistan Nuclear Arms, U.S. Delays Aid

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States has decided to withhold aid from Pakistan as it seeks new assurances from the government that it is slowing its nuclear-weapons program, administration officials say.

The officials said the aid would be delayed until the administration was able to discuss the concerns with the Pakistani government and with members of Congress who have raised questions about the nuclear-weapons program.

This could delay the assistance until after Oct. 24, when a new Pakistani government is to be elected, officials said Sunday.

By law, aid to Pakistan cannot be continued unless President George Bush certifies that Pakistan does not possess a nuclear weapon and that the American aid is serving to discourage Islamabad from developing nuclear weapons.

Pakistan says it does not have nuclear weapons. And during her June 1989 visit to Washington, the prime minister at the time, Benazir Bhutto, told a joint session of Congress that Islamabad did not intend to develop a nuclear device.

The United States gives about $500 million a year in aid to Pakistan.

The delay in certification will preclude Washington from providing new economic and military aid and will force a halt to military aid.

The Bush administration has been caught in a quandary. On the one hand, the Pakistani nuclear program is advancing and it is getting difficult to issue the required certification, officials say. Also, the United States does not want to be accused of winking at Pakistan while hitting Iraq hard on proliferation issues.

On the other hand, Pakistan has been a longtime ally of the United States and has agreed to contribute troops to the effort in Saudi Arabia.

Delays in certification have taken place before. The Reagan administration, for example, issued its last two annual certifications in December and November. Last year, the Bush administration provided the needed certification in early October.

The current administration move is plainly a result of growing concerns about Pakistan's nuclear program in the administration and Congress.

Bush administration officials, by and large, appear to be looking for a way to issue the required certification and maintain good relations with Pakistan.

Leonard A. Spector, a specialist on nonproliferation at Carnegie Endowment of International Peace, has estimated Pakistan had enough nuclear material for 5 to 10 nuclear devices when Miss Bhutto took office.

Indian Court Postpones Job Plan for Lower Castes

Reuters

NEW DELHI — The Indian Supreme Court ordered the government Monday to halt a plan that would give more jobs to lower castes. The government's proposal has aroused violent opposition from upper castes.

A five-man court said it hoped that a delay would cool protests that have cost at least 70 lives and provoked a series of suicide attempts, some by fire, since Prime Minister Vishwanath Pratap Singh announced the plan Aug. 7.

The Supreme Court said nothing should be done to carry out the decision until the government completed lists of the castes it intended to benefit. Government lawyers said that would take two months.

The court was hearing the first petition intended to prevent Mr. Singh from carrying out his plan to raise the number of government jobs reserved for lower castes, outcastes and tribal people to nearly 50 percent, from 22.5 percent.

It said it would bring forward consideration of the main petition against the plan to Oct. 25, from Nov. 6.

Mr. Singh has refused to compromise on the plan despite heavy pressure from within his own Janata Dal party and from the Hindu revivalist Bharatiya Janata Dal, which keeps his minority government in power.

Violent protests against Mr. Singh's plan continued Monday. Authorities imposed curfews on two towns in northern India.

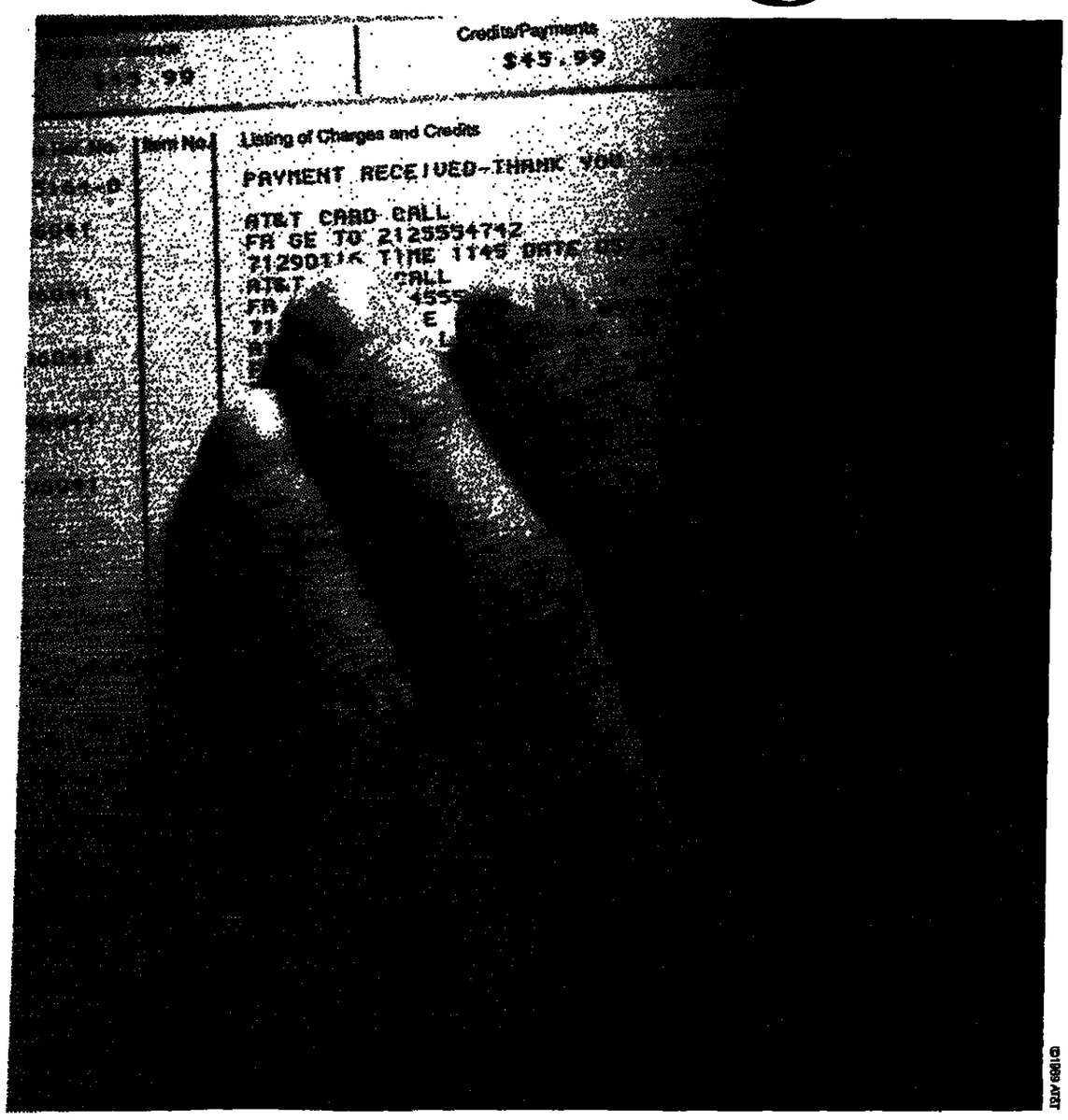
As the court deliberated, violence broke out after two schoolgirls poisoned themselves in Hoshiarpur, about 250 kilometers (150 miles) north of New Delhi. Police reinforcements were sent to restore order, and a curfew was imposed.

In Jammu, winter capital of Jammu and Kashmir state, a schoolboy, 18, set himself on fire in protest of the quota plan.

All the deaths in protests led by upper-caste students have been in northern India, where the Hindu caste hierarchy is most rigidly observed.

The protests, which brought parts of New Delhi to a halt last week as demonstrators and police clashed, prompted an unsuccessful revolt Sunday against Mr. Singh in his Janata Dal party.

Quick! Who did you call on the night of May 25th?



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Daily Express Newspaper, top left: Alpha

Diana and her sons: a royal seal of approval from the young generation. Prince William, top, in a Burberry polo shirt and trousers. Duffles and parkas from the new Thomas Burberry sportswear line for both sexes, designed to appeal to the 20-year-old customer.

Burberry: A Bit of Latin Spirit

International Herald Tribune

LONDON — Prince William has gone off to boarding school here, clutching his tearful mom — and a Burberry bag.

It was the first public recognition that the stylish Diana, Princess of Wales, had found a tailor fit for a future king. She is dressing William and his brother, Harry, in trim sport coats and blazers, crisp pants and crested polo shirts, instead of the baggy shorts and prissy velvet-collared coats of the Mary Poppins era.

Burberry has a long track record with royalty. Queen Elizabeth II can be found among her beloved horses, wearing gum boots and a Burberry coat — the fawn-colored raincoat with its horse-blanket-check lining that the company sells at the rate of 11,000 a week.

But, like so many solid and successful British fashion houses, the company has seemed to be a stick-in-the-mud. Fashion revolutions have not disturbed the mausoleum calm of Burberry's stores nor the conviction that classic is king.

Enter Thomas Burberry, a division started in England in 1988 and introduced into the United States last month. In 22 airy in-store boutiques throughout Europe, there are clothes in modern proportions, colors and, especially, fabrics: women's trousers skimming the hips like riding pants; short, snappy corduroy skirts; swingy duffels; parkas in fabrics that drape across the body. For men, there are brushed cotton camp shirts in woodsy colors and five-pocket jeans. Even the famous raincoat has been recut deep and long with cavalier dash, or cropped into a short car coat.

Thomas Burberry is now in stores in Chicago, New York and San Francisco, with 13 other U. S. stores planned for 1991. In London, the collection, which is made in Britain, is currently wholesaled only to the department store Selfridges, but it is to be offered more generally by 1992.

Behind the Thomas Burberry line is Eleonora Parkinson, 37, an ebullient Argentine, trained in marketing in New York and plucked out by Stanley Peacock, managing director of Burberry.

Parkinson, wearing a long, club-check jacket over a short skirt, defines "classic" as "clothes that are timeless, simple enough to be comfortable, basic, but with a feeling of quality and style."

Couldn't this could be interpreted as boring?

SUZY MENKES

"There is a fine borderline between being boring or not," she said. "I am very interested in creative talent and I find it refreshing. But we don't belong to that. We should do what we do well, and that is unfussy tailoring. I was never a Burberry customer before, and I found it quite shocking. I had never imagined it to be a museum, which is what it was. For me, working with a very traditional company was pioneering new territory. But I have a bit of Latin spirit."

That extrovert energy was used to create the Thomas Burberry sportswear division in three months. There are still plans for separate shops, but for now the line remains in-store.

Thomas Burberry division turned over £2.5 million ($4.3 million) in 1989 — a small sum for a company that is projected to earn £150 million this year on the Japanese market alone. In the 22 stores in which Thomas Burberry is sold, the line already accounts for 10 percent of sales.

Parkinson considers the competition to be Ralph Lauren and Calvin Klein in the United States, Façonnable in France and Emporio Armani in Italy.

"Although we have a similar kind of product, we are catering to a different kind of mentality," she said. "Men are not so confident that they believe that they can walk from Savile Row to Emporio Armani. What we do is to present a classic that is slightly more fashionable."

Is the Burberry customer ready to walk from the traditional raincoats and buttoned-up tailoring into the more relaxed and colorful Thomas Burberry sportswear?

Parkinson has observed that Italians and French customers have been quick to follow their fashion noses, while the Japanese feel "insecure about buying something that they did not come in to buy."

The answer might be to inject more style into the conventional ranges, where a departure from tradition such as a short raincoat with fake fur trim is described as a "novelty" coat.

Both design director and product manager, Parkinson works with four designers — for men's and women's clothes, knits and accessories — from the main 10-person design team. The main group covers everything from raincoats to Burberry foods.

This is the enigma of British fashion, where there are 3,000 fashion-school graduates each year and the brightest and the best go to work for fashion houses abroad. Only about 20 designers work for Burberry, a flagship of British enterprise, which has 75 percent of its sales in exports to 35 countries and has won five Queen's Awards for Export achievement. At Dior in Paris, there are 50 designers.

"With British designers, there is never a marriage between the commercial mind and the creative mind," Parkinson said. "No one gives them a sense of direction or says that gold parkas may be wonderful — but does the average women want to walk down the street wearing one?"

STYLE MAKERS

The New York Times

In the last two years, dozens of new children's magazines have been launched.

Children's Magazines

NO MORE LAMBS AND BEARS

New York Times Service

WHEN John Papanek was an editor and writer at Sports Illustrated, he was well known in certain circles. But no one ever sent in a T-shirt asking for his autograph. But since Papanek began editing Sports Illustrated for Kids last year, he has felt like a celebrity. Besides numerous requests for his autograph, he receives more than 100 letters a day filled with cartoons, personal stories and even jokes.

Randi Hacker also receives passionate letters from the children who read the new magazine she publishes, P3, which is dedicated to the environment. "Children are using their letters to tell us how they feel about earth, and how scared they are," Hacker said.

Magazines for children are hardly a new idea: Highlights for Children, which is 45 years old, is thriving, leading the field with its circulation of three million. But in the last two years, dozens of new ones have started as publishers try to appeal to a growing, economically powerful and loyal audience.

The range of magazines is evident in Magazines for Children, a guidebook with 123 entries that was published last year by the Educational Press Association of America in Glassboro, New Jersey, and the International Reading Association in Newark, Delaware.

The editor, Donald R. Stoll, has the names of 30 new magazines for the next issue. Magazines sometimes appeal more to children than books do, said Stoll, whose organization began publishing the guidebook as a way to promote literacy.

"It seems to be a more exciting kind of learning experience that's not associated with the classroom," he said. "Magazines make print a part of their life."

Magazines for children, like those for adults, are targeted to diverse and specialized interests. There are glossy, trendy publications as well as serious, literary ones. Budding consumer activists can read Zillions, put out by Consumers Union, the publisher of Consumer Reports. It is filled with articles on how to shop wisely, for such things as Twinkies, video game systems, tapes and CDs. Young writers can publish their poems and stories in Merlyn's Pen, a literary magazine made up solely of their contributions.

And like adults, children seem attracted to magazines that fill some particular need or desire. "I like scientific stuff," said Kelly McInnis, a 9-year-old in St. Charles, Missouri, who reads National Geographic World, a publication for children. Spencer Wolff, who is 10 and lives in New York, reads several magazines, including Nintendo Power. "It gives me hints about how to win games."

The children's magazine field, although growing more crowded, still seems appealing to publishers. One of the latest is Ladybug, a magazine with stories, puzzles and poems for children ages 2 to 7. It is being put out by Open Court Publishing the publishers of Cricket, a similar magazine for 6-to-14-year-olds.

'Children are using their letters to tell us how they feel about earth, and how scared they are.'

In its November issue, Field and Stream will include a junior version as a prototype. Time has been considering a similar plan. Fortune, too, is studying the possibility of publishing a Fortune for children or teen-agers. "There's so little out there that's sophisticated," said Emma Dockendorff, a spokeswoman for Fortune.

One publisher came to that conclusion eight years ago and has profited by it. His four magazines, devoted to Barbie, Teen-Age Mutant Ninja Turtles, Mickey Mouse and the Real Ghostbusters, have a circulation of almost four million. The publisher, Donald E. Welsh, president of Welsh Publishing Group in New York, decided to start a magazine when his daughter, who was then 9, asked for a subscription to People magazine for Christmas. Wondering why she wouldn't prefer something targeted to her age, he looked at what was available.

"They all talked down to kids," Welsh said. "It was all about little lambs and bears, like being in 1950."

To some extent, publishers have been inspired by the success of Sports Illustrated for Kids, which has attracted a great deal of advertising and reached a circulation of 850,000 since starting in January 1989. Surveys show the readers are so loyal that they go through each monthly issue seven times, said Ann S. Moore, the publisher.

"The demographics for kids are terrific," said Michael Lynton, the vice president of marketing for Walt Disney Publishing. "There are more of them, and they are more active in making decisions."

Children not only have their own money to spend, they are also influential in deciding what foods, drinks, vacations and even cars the family will buy. But children present both advantages and disadvantages for publishers. Being in tune with what they want is the first challenge for adults who are used to writing for their peers. At Sports Illustrated for Kids, editors frequently sit behind one-way mirrors and watch as children have discussions with moderators about what they are interested in.

Children who are only a year apart in age may be interested in very different topics. Alden Nusser, an 8-year-old New Yorker, reads Sports Illustrated for Kids and Zoobooks. But he dislikes some children's magazines even though their editors believe he is part of the target age group. "I don't really like the ones for little kids, like Ranger Rick," Alden said. Sometimes, he added, he looks at magazines like National Geographic and Condé Nast Traveler.

Because children outgrow magazines directed at them, publishers have a constant need to find new subscribers. "There is going to be a turnover every three years," said Stoll of Magazines for Children.

Trish Hall

YESTERDAY
12,000 CHILDREN DIED
IN AFRICA.

WHY ISN'T THIS
ON THE FRONT PAGE?

No news is not always good news. The 12,000 children who died yesterday in Africa receive no mention in this newspaper.

Nor in any other.

It's not the fault of the media. It isn't news because it happens every day. 12,000 children a day. 84,000 a week. 4,368,000 a year. And this is only Africa.

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What makes these figures even harder to stomach is the knowledge that half these children could so easily be saved by a few low-cost remedies.

The million and a half children who die each year from measles could be saved by one vaccination. The price of the vaccine? Seventeen cents a child.

The sight of 250,000 children could be saved by providing a small course of vitamin A capsules. The price of the capsules? Seven cents a child. The 2½ million children who die each year from dehydration caused by diarrhoea could be saved by a simple sachet of sugar and salt mixed with water. Price twelve cents.

It's a small price to pay for such an enormous saving.

So far, UNICEF has helped inoculate about three quarters of the children in the developing world, saving 2 million young lives every year.

But we're not only interested in saving children in the short term.

We spend money on education, on nutrition and on supplying fresh drinking water to both children and adults alike.

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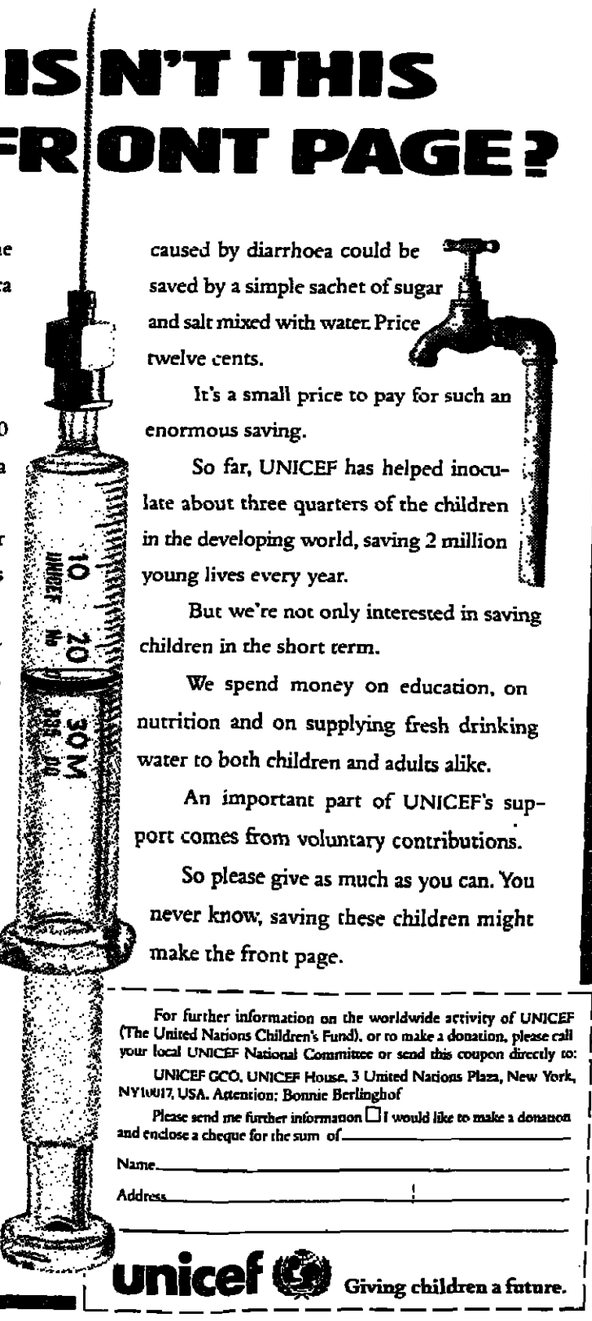
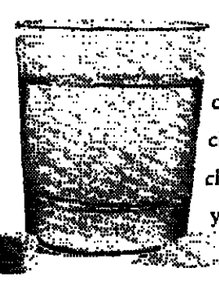
So please give as much as you can. You never know, saving these children might make the front page.





For further information on the worldwide activity of UNICEF (The United Nations Children's Fund), or to make a donation, please call your local UNICEF National Committee or send this coupon directly to: UNICEF GCO, UNICEF House, 3 United Nations Plaza, New York, NY10017, USA. Attention: Bonnie Berlinghof

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ACROSS

1 Breathless
6 Word of regret
10 Babe Ruth's sultanate
14 Cabinetmaker's tool
15 Rooster on a spire
16 Shangri-La figure
17 Outdoor place for fun and games
19 Surmounting
20 Wright wing
21 Declared
22 Miller's "—— the Fall"
24 Peddle
26 Athlete on a mat
28 Punching tool
30 Sawbuck
33 A favorite game of George Bush
38 Violinist Bull
39 Accumulate
40 Pay dirt
41 Less ruddy
43 Black Hawk was one
44 Indoor place for fun and games
46 Uses a mangle
49 "Ladders to Fire" author
50 Alger's "—— Tom"
53 Imprecatory remark
57 Singer Lopez
58 Of lyric poetry
60 Sigma predecessor
61 Biggers hero
62 Type of tournament
65 Early inhabitant of Britain
66 Henri adjunct
67 In harmony
68 Interviews
69 Actresses Sandra and Ruby
70 Comedian Amsterdam

DOWN

1 —— Maritimes, Nice's department
2 Neptune's first observer
3 In any way
4 Owing the pot
5 Cribbage items
6 Parisian's property
7 Summa cum ——
8 With 54 Down, Wolverines' home
9 Tranquilizes
10 Criticizes severely
11 Pool game
12 "Omnia vincit ——"
13 Start of a court game
18 Singer Lou ——
23 Algerian rebel gp. in the 50's
25 Colleen
27 Precipitous
29 Pitcher Gardner
31 Grocery item
32 Six years in the Senate
33 Trunk fastener
34 Poet famed for quatrains
35 Churchill Downs, e.g.
36 Perennial Reno winner
37 Christie's "N ——?"
41 "—— Love You," Mercer air
42 Florence's river
44 Called it quits
45 Ruined
47 New Orleans 11
48 RR depot
51 Pass pattern, in football
52 Best and Ferber
54 See 8 Down
55 Yours, of yore
56 Proverbial fly catcher
57 Demonstrative
58 Miler Steve ——
61 Busy one before Apr. 15
63 Suffix with Capri
64 Ear: Comb. form

Solution to Previous Puzzle

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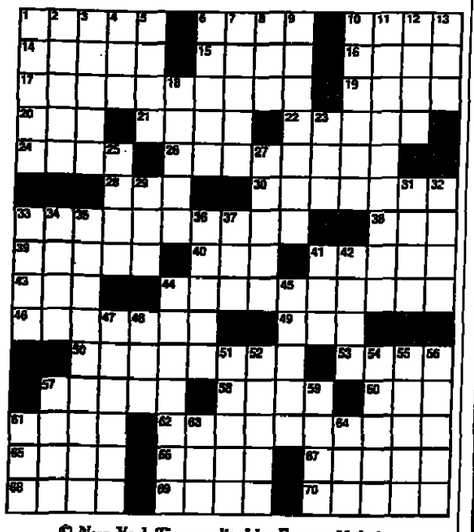

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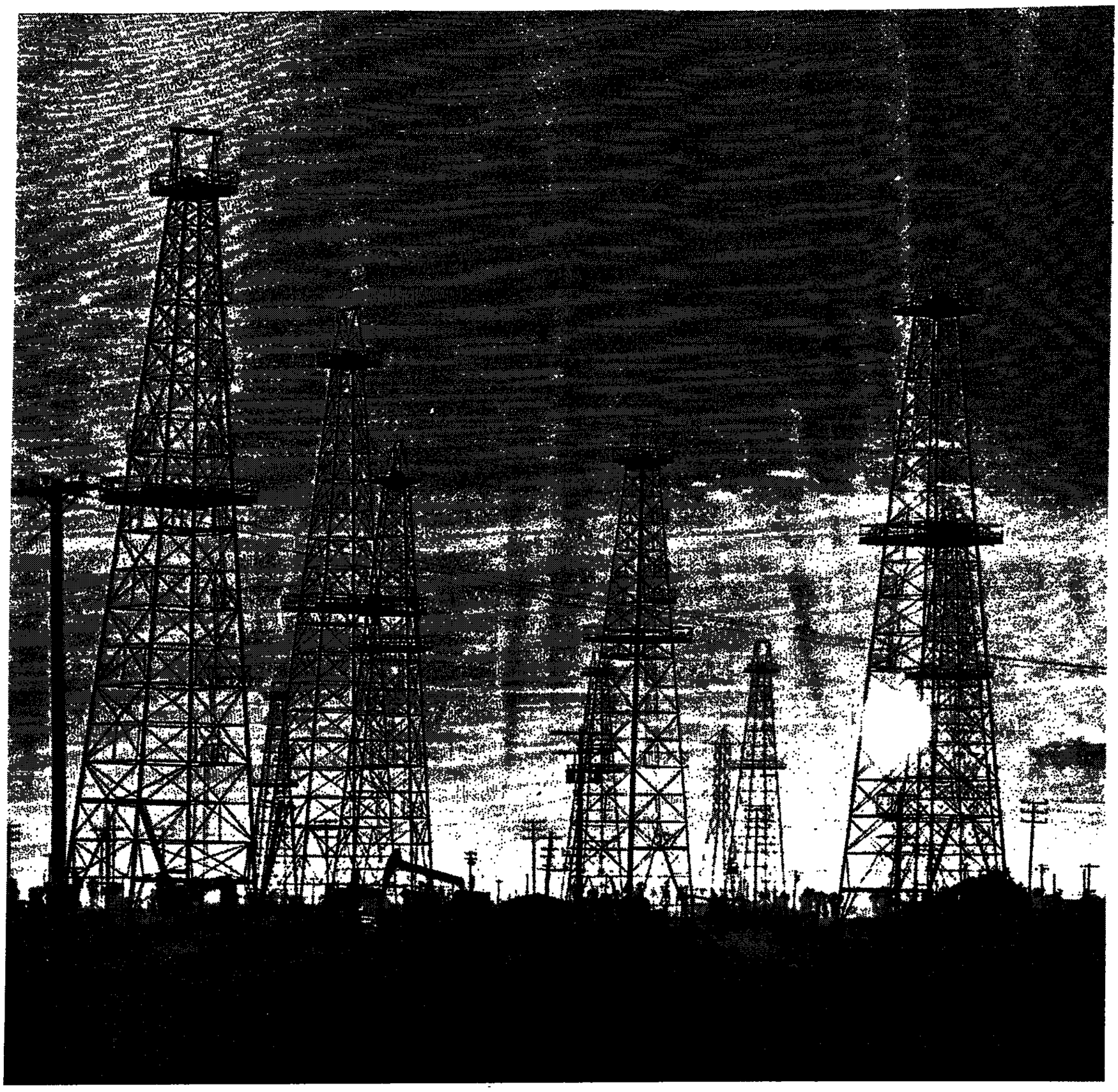

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Herald Tribune.
BUSINESS/FINANCE
**
TUESDAY, OCTOBER 2, 1990

TO Z? THAT'S WHO!
Road construction, Shipbuilding, Telecommunications, Uranium development, Valves, Worldwide network, X-cavators, Yarn & yachts, Zero-defect efforts
DAEWOO

INTERNATIONAL STOCKS

New Tax on Capital Gains Sows Confusion in Milan

By Richard Waddington
Reuters

MILAN — Confusion reigned on the Milan bourse on Monday as traders and private investors struggled to come to terms with the new capital gains tax that came into force over the weekend. Brokers said that the tax, was unlikely to have any great immediate impact on prices but it was expected to reduce trading volume.

In Monday's session, support buying by large industrial groups and institutional investors helped shares rebound from a mixed start in a nervous trading session.

The MIB index, which was unchanged at midmorning, gained seven points or 0.86 percent, to 818. Banks, retailers and building firms led gainers. Volume remained thin, however, at slightly above 100 billion lire ($85 million).

> 'People who bought before Friday don't have any tax incentive to sell.'

The tax, which ranges up to 20 percent of capital gains, was introduced on Friday as part of package of spending cuts and revenue increases for the 1991 budget. The market was also seeking to digest the implications of that package, which aims to cut next year's deficit by 50 trillion lire next year.

"Private people who bought before Friday don't have any tax incentive to sell at the moment," said Sergio Pigoli of brokers Studio Pastorino.

Brokers also said that the timing of the tax appeared to be right in the sense that the private investors, who are those affected by the new tax, had already largely left the market because of the recent sharp price falls.

But they said many of the practical aspects of applying the new levy are still not clear and this was making it difficult to do business.

Brokers, the banks and the commission dealers, whose responsibility it will be to deduct the new tax, have not been given any time to prepare for their new role, brokers said.

"It has just been introduced from one day to another and there has been no preparation," said Mr. Pigoli.

The tax does not affect foreign investors. Nor does it affect Italian institutional and corporate investors who were already paying tax on their earnings from share dealings.

The law sets a maximum tax of 20 percent on gains from shares traded within 18 months of their being bought. Stocks held for a longer period will be taxed at a 12.5 percent rate.

Investors can deduct 3 percent a year for depreciation for inflation while losses suffered on other share trades can be used to offset up to 7 percent of the gains.

Prices at which shares currently in investors' portolios were bought will be set at their average over the past three months unless an investor can produce proof another price was paid.

"It is dramatic, unbelievable," said Franco Manzini, of the brokerage Akros. "You are effectively being taxed on a loss,"he added.

Italian share prices were already sliding before the Gulf crisis erupted, but the new tax "has completely frozen the activity of the individual investor," Mr. Manzini said.

The tax has added to other uncertainties that were already expected to unsettle the market on Monday.

The holdings of troubled commission dealer Lombardfin were auctioned off on Monday.

Lombardfin's holdings included 8.3 million ordinary shares of the chemicals concern Montedison SpA, 96,000 of the insurer Assicurazioni Generali SpA and 18 million of Paf, an investment concern. Trading in these shares was suspended until the auction at the end of the session.

Sentiment improved after Fiat SpA closed stronger. The automaker's shares advanced 1.5 percent to 6,250 lire.

Brokers said the support buying prevented a price fall of the auctioned Lombardfin stocks.

Oil Prices Decline Sharply

Market Senses Easing Tensions

Compiled by Our Staff From Dispatches

NEW YORK — Perceptions that tensions in the Gulf are easing and a survey indicating that OPEC pumped enough oil in September to make up for shortfalls due to the embargo against Iraq and Kuwait sent oil prices tumbling Monday.

Light sweet crude for November delivery dropped $2.42, to $37.09 a barrel, on the New York Mercantile Exchange. Oil's largest one-day fall since Iraq invaded Kuwait on Aug. 2 was $4 per barrel on Aug. 27.

Crude was down as much as $3.66 per barrel in light trading Monday afternoon, but regained part of that loss late in the day as some speculators bought futures to avoid being short on oil overnight.

Later contract months for crude delivery fell by the exchange's limit of $1 per barrel.

"A market like this, which has traded up for so long, tends to get overdone in the other direction when it starts to show a little weakness," said one analyst.

Traders said the market opened weak after President Saddam Hussein of Iraq called on Sunday for a dialogue on the Gulf crisis. Further selling erupted after President George Bush's speech to the United Nations was construed as conciliatory.

Referring to Mr. Bush's speech, Brian Tagler, a broker at Shearson Lehman Brothers Inc., said: "The market was looking for some saber-rattling. We know Bush wants the UN to approve taking military action. We thought there might be mention of that. There was none. It was a very peaceful speech."

Analysts said a survey pegging September output by the Organization of Petroleum Exporting Countries at 22.1 million barrels per day fueled selling.

"The fact that OPEC pumped over 22.0 million barrels of oil indicates that they have more than made up for shortfalls from the Iraq's invasion of Kuwait," Mr. Tagler said.

The sharp rise in wellhead output by OPEC — more than two million barrels a day above August's levels — came as members pumped as much oil as their wells would permit to make up for a four million barrel per day shortfall due to the UN embargo.

On the European spot market, where crude is bought and sold for cash, Britain's widely traded North Sea Brent was off $1.15 to $39.65 a barrel. *(Reuters, AP)*

Long and Short of the Budget

U.S. Deal Seen Offering Little Economic Help Soon

By John M. Berry
Washington Post Service

WASHINGTON — The budget deal agreed upon by President George Bush and congressional leaders should help bolster U.S. economic growth in the long run, but it is not likely to provide much help in the short run for an economy flirting with recession.

By cutting into the amounts the federal government would have to borrow to finance a growing deficit, the budget agreement — if enacted and enforced — would leave more money available for private investment and keep interest rates lower than they otherwise would be, economists said.

The short-run question is whether the $40 billion in higher taxes and fees and cuts in federal spending proposed for fiscal year 1991, which began Monday, will cause consumers and businesses to cut their own buying and push the weak economy into a recession.

The problem is that any immediate reduction in interest rates paid by individuals on new cars or homes, or businesses financing new investments, is likely to be small, financial market analysts said.

Underscoring the economy's vulnerability, the negotiators agreed on a new economic forecast that the nation, already feeling the impact of tighter credit and higher oil prices, is facing further bad news.

The new official forecast shows virtually no economic growth for the rest of the year and a 1.3 percent increase in inflation-adjusted gross national product in 1991. The forecast also shows the nation's unemployment rate, which was 5.4 percent in August, rising to 6.4 percent by the end of 1991.

"Of all the years they could have done the budget deal, this is the least appropriate," said Charles L. Schultze, an economist at the Brookings Institution. "But it still should be done. I only wish they had done it last year, even more the year before."

Mr. Schultze and many other economists have been urging for years that steps be taken to slash deficits to reduce federal borrowing, which they said was eating up too much of the nation's limited amount of savings. As a result, they argue, interest rates have been higher than they otherwise would have been and business investment, essential for long-term U.S. economic growth, has been held down or financed by foreign investors.

The proponents of deficit reduction are hoping that the prospect of lower budget deficits will bring down long-term interest rates. Federal Reserve officials have said they would, in effect, lower short-term rates about as much as long-term rates fall once Congress approves a deal.

Some financial market analysts have warned, however, that long-term rates might fall only by a quarter percentage point or a third of a percentage point because of the deal, particularly if there is any question about whether the deficit reduction proposals will add up to as much as negotiators claim.

Even with announcement of an agreement, "the process is not over," said Sam Kahan, chief economist of Fuji Securities in Chicago. "Whatever agreement they have, they will have to sell that to the troops."

Mr. Bush said that unlike some past budget deals, there were no smoke or mirrors. "With a half-a-trillion dollars in real deficit reduction — and let me repeat, the leaders here and I think that these are real deficit-reduction figures — long-term interest rates should be able to come down."

But "come down" from what?

Rising interest rates in Japan and Germany and financial market fears of worsening inflation recently pushed interest rates on 10-year U.S. government bonds close to 9 percent. Even with a very soft economy and the new budget deal, the administration now assumes those rates will average 8.3 percent next year. That is higher than the projection of 7.9 percent the administration used in the July forecast.

In other words, the budget deal is not expected to mean dramatically lower rates for home mort-

See BUDGET, Page 13

Industry in U.S. Grows at Slowest Rate in 8 Years

Compiled by Our Staff From Dispatches

NEW YORK — Growth in the U.S. manufacturing economy slumped in September to its lowest level since the nation's current economic expansion began in December 1982, the National Association of Purchasing Management reported Monday.

The manufacturing slowdown coincided with the recent surge in oil prices to create "the worst of all combinations, a declining economy with rising inflation," said Robert J. Bretz, chairman of the association's business survey committee.

The purchasing managers' index fell to 44.4 percent in the latest month from 47.0 percent in August.

A reading below 50 generally indicates that manufacturing growth is declining, while a reading above 50 indicates that growth is expanding. An index reading of below 44 percent would indicate an actual decline in gross national product — a point which has suddenly drawn very near, Mr. Bretz said.

"The manufacturing economy ended the third quarter on a sour note," he said.

If the index remains unchanged at the September level for the remainder of the year, it would be consistent with real GNP growth of about 1 percent for 1990, he said.

In the latest survey, the group's production index fell to 45.1 percent from 48.5 percent in August. The September output reading also was the lowest since December 1982.

The association's new order index dropped to 44.5 percent, the lowest since the trough of the previous recession in November 1982. The order index stood at 46.4 percent in August.

The price index, however, staged its largest one-month jump in 15 years, soaring to 73.4 percent from 58.2 percent in August. The rise largely reflected higher prices for crude oil and petroleum products.

Purchasers expressed concern that suppliers will raise prices even further in light of uncertainties surrounding the Gulf crisis.

"The sharp decline in new orders in July and August has led to a marked decline in production," Mr. Bretz said.

"Coupled with sharply rising prices for petroleum-related products spawned by the Middle East crisis, the immediate outlook appears to be the worst of all combinations, a declining economy with rising inflation," he added.

In response to a special question, 88 percent of respondents said they had not changed their capital spending plans for the next six to 12 months as a result of the Middle East crisis. Eight percent said they had revised their plans downward and 4 percent reported upward revisions, the report said.

Meanwhile, the Commerce Department said construction spending was unchanged in August after posting its first gain in four months in July. Government spending gains offset declines in residential and non-residential construction in the latest month, it said.

The department said construction spending was at a seasonally adjusted annual rate of $442.5 billion following a revised rise of 0.3 percent in July. July's advance originally was reported to have been 0.4 percent. August's spending was up 2.0 percent from a year earlier.

Reflecting the slowing economy, the purchasing managers' index of supplier deliveries fell to 49.4 percent from 51.1 percent in August.

The survey also showed that inventories decreased for for the 22nd consecutive month in September and at a greater rate than in August.

The employment index fell in September for the 19th consecutive month — to 41.5 percent from 44.1 percent in August. September's rate of decline was the greatest in five years. *(UPI, Reuters, AP)*

Progress in Aircraft Subsidy Talks

Reuters

BRUSSELS — The European Commmity and the United States have broken a deadlock in talks on subsidies to aircraft manufacturers, EC and U.S. officials said Monday.

The United States had threatened to take its dispute over EC government support for the European makers of Airbus planes to the General Agreement on Tariffs and Trade, the world trade watchdog, if a settlement was not reached by the end of September.

The two sides have not settled all their differences but the United States dropped some of its key complaints during talks last week, an EC official said.

This included a demand that the West German government scrap a mechanism protecting aircraft contracts from fluctuations in the dollar. All aircraft contracts are in dollars.

Airbus Industrie, which makes the Airbus, is a consortium of Aerospatiale of France, British Aerospace PLC, West Germany's Messerschmitt-Bölkow-Blohm and CASA of Spain.

Washington had also accepted EC assurances that a $500 million loan to Northwest Airlines to buy 100 Airbus A-320s contained no government support, he said.

America Air West agreed to acquire up to 118 Airbus planes. Page 13.

Financing for the Northwest deal had aroused opposition in the United States to Airbus's so-called unfair sales practices.

"The prospects look pretty good for an agreement," the official said, adding that an agreement would have to be approved by the 12 EC member states before becoming final.

A U.S. official said the threat to take the issue to GATT had been dropped after the talks made progress. The United States had set no new deadline for agreement, he added.

Talks between the EC Commission and the U.S. trade representative on the subsidies issue will resume next week.

Last month, the French partner in Airbus attacked a report by an American consulting firm that said Airbus is "economically unviable."

Henri Martre, president of Aerospatiale, said the report offered "risky and ill-founded conclusions on the basis of fragile assumptions."

The study, written by Gellman Research Associates for the U.S. Department of Commerce, concluded that subsidies given by France, West Germany, Britain and Spain accounted for 74 percent of Airbus development spending and constituted distortions of competition threatening U.S. aviation firms.

Gamble Bros. in Clash With Procter & Gamble

The Associated Press

WASHINGTON — Gamble and Gamble are taking on Procter & Gamble in a clash of conscience and government policy.

The brothers James and Robert Gamble, great-great-grandsons of one of the giant company's founders, are leading a proxy battle to try to stop Procter & Gamble from buying coffee grown in El Salvador.

At the brothers' instigation, shareholders will vote in Cincinnati next week on a proposal to have Procter & Gamble stop buying coffee until Salvadoran leaders negotiate an end to civil war.

James Gamble said in an interview that he thought the company could play a "critical role in speeding up the negotiation process."

"Our biggest concern is to publicize the human rights abuses in El Salvador and try to bring about a change," Robert Gamble said from his home in Canada.

On the other hand, the United States this year gave $315 million to El Salvador and the White House, recognizing the importance of coffee sales to the Salvadoran economy, has specifically asked Procter & Gamble to continue buying the beans.

In a letter to the company, the White House chief of staff John Sununu called a 10-month-old boycott of Salvadoran coffee a "misguided attempt to cripple the Salvadoran economy" that will "do nothing to advance the peace process, democracy or human rights."

Procter & Gamble says it views the conflict as a dispute between peace activists and U.S. foreign policy and would prefer to stay out of that disagreement.

CURRENCY RATES

Cross Rates

Oct. 1

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7485	3.311	1.1278	0.3366	0.1506 *	—	5.475 *	1.361	1.2754 *	1.5175	1.802 *
Brussels	31.955	60.485	20.4825	6.1585	2.7404 *	18.2705	—	24.87	23.23	27.735	32.89 *
Frankfurt	1.5511	2.934	—	0.2986	0.1334 *	0.8869	4.854 *	1.207	1.13 *	1.3464	1.597 *
London (a)	1.8885	—	2.927	9.8025	2,192.50	3.303	60.29	2.436	258.79	2.174	183.19
Madrid	97.15	183.85	62.648	18.704	8.363 *	55.557	3.0414	75.50	70.87 *	84.37	—
Milan	1,162.55	2,199.50	749.52	223.71	—	664.59	36.379	904.77	8.478	1,009.90	11.966
New York (b)	—	1.883 a	1.5585	5.2215	1,167.50	1.757	32.125	1.2965	136.70	1.1536	97.595
Paris	5.1945	9.832	3.3495	—	0.447 *	2.9782	0.1626	4.0433	3.787 *	4.509	5.3465 *
Tokyo	137.35	259.59	88.41	26.47	0.1201	78.43	4.2549	106.30	—	119.02	1.4152
Toronto	1.1536	2.1711	0.7404	0.221	0.988 *	0.6569	3.607 *	0.8985	0.8426 *	—	1.186 *
Zurich	1.2845	2.4283	0.8286	0.2475	0.1106 *	0.735	4.0235 *	—	0.928 *	1.1159	1.3210 *
ECU	1.3267	0.7016	2.0583	6.8940	1,542.66	2.3212	42.4906	1.7048	181.954	1.5285	128.913
SDR	1.4030	0.7326	2.1719	7.2736	N.Q.	2.4485	N.A.	1.7986	192.533	1.6185	136.003

*Closings in London and Zurich, fixings in other centers; New York closing rates, Toronto rates at 3 p.m. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5855.1	Greek drac.	154.00	Mex. peso	2892.00	S. Afr. rand	2.5645
Austral. $	1.2107	Hong Kong $	7.7822	N. Zealand $	1.6346	Soviet ruble*	0.5491
Austr. schil.	11.01	Indian rupee	18.083	Norw. krone	6.0725	Swed. krona	5.773
Brazil cruz.	81.29	Indo. rupiah	1845.02	Phil. peso	25.49	Taiwan $	26.80
Chinese yuan*	4.72	Irish £	0.5779	Port. escudo	137.10	Thai baht	25.25
Danish krone	5.985	Israeli shek.	2.0277	Saudi riyal	3.75	Turkish lira	2715.18
Egypt. pound	2.7434	Kuwaiti dinar	n.a.	Sing. $	1.765	UAE dirham	3.6727
Fin. markka	3.6785	Malay. ring.	2.70	S. Kor. won	713.00	Venez. boliv.	48.45

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8814	1.8721	1.8621	Canadian dollar	1.1607	1.1646	1.1684
Japanese yen	137.19	137.18	137.12	Swiss franc	1.2832	1.2833	1.2834
Deutsche mark	1.5503	1.5497	1.5488				

Sources: Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Oct. 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8-8 1/8	8 1/16-8 3/16	7 5/8-7 3/4	14 7/8-15	9 11/16-9 13/16	7 15/16-8 1/16	9 11/16-9 13/16	9
2 months	8-8 1/8	8 1/4-8 3/8	7 3/4-7 7/8	14 7/8-15	10-10 1/8	8 1/8-8 1/4	9 15/16-10 1/16	9 1/8
3 months	8-8 1/8	8 1/2-8 5/8	7 15/16-8 1/16	14 13/16-14 15/16	10 1/8-10 1/4	8 1/4-8 3/8	10 1/8-10 1/4	9 1/4
6 months	8-8 1/8	8 9/16-8 11/16	8 1/16-8 3/16	14 13/16-14 15/16	10 3/8-10 1/2	8 1/2-8 5/8	10 3/8-10 1/2	9 1/4
1 year	8 1/8-8 1/4	8 15/16-9 1/16	8 1/4-8 3/8	14 3/4-14 7/8	10 5/8-10 3/4	8 5/8-8 3/4	10 5/8-10 3/4	9 3/8

Sources: All Reuters except ECU: Lloyds Bank. Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Oct. 1

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8.00	8.00
Comm. paper 90-179 days	7.55	7.65
3-month Treasury bills	7.11	7.14
6-month Treasury bills	7.15	7.15
1-year Treasury bills	7.11	7.16
30-year Treasury bond	8.86	8.94
3-month CD's	7.75	7.95
6-month CD's	7.75	8.00
Japan		
Discount rate	6.00	6.00
Call money	7 19/32	7 11/16
1-month interbank	8 1/32	8 7/32
3-month interbank	N.Q.	N.Q.
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.10	8.10
1-month interbank	8.35	8.35
3-month interbank	8.60	8.60
6-month interbank	8.75	8.75
Britain		
Bank base rate	15.00	15.00
Call money	14 7/8	14 7/8
1-month interbank	14 15/16	14 31/32
3-month interbank	14 13/16	14 29/32
France		
Intervention rate	9 1/2	9 1/2
Call money	9 13/16	9 11/16
1-month interbank	9 7/8	9 7/8
3-month interbank	10 3/16	10 1/4
6-month interbank	10 1/4	10 7/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Oct. 1

1 month	8 1/16 - 8 3/16
2 months	8 1/16 - 8 3/16
3 months	8 1/8 - 8 1/4
6 months	8 3/16 - 8 5/16
1 year	8 1/8 - 8 1/4

Source: Reuters.

U.S. Money Market Funds

Oct. 1

Merrill Lynch Ready Assets
30-day average yield: 7.57
Telerate Interest Rate Index: 7.806
Source: Merrill Lynch, Telerate.

GOLD

Oct. 1

	A.M.	P.M.	Ch'ge
Hong Kong	400.25	399.45	— 6.10
Luxembourg	400.15	—	— 5.85
Paris (12.5 kilo)	403.60	402.68	— 6.57
Zurich	399.35	397.25	— 9.50
London	400.00	396.30	— 12.10
New York	—	387.00	— 16.15

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Apple and Sony Discuss Making a PC

By David E. Sanger
New York Times Service

TOKYO — Making a change in its manufacturing strategy, Apple Computer Inc. has entered negotiations with Sony Corp. about the possible production by Sony of an inexpensive "notebook" version of the Macintosh computer, according to senior Sony officials.

Until now, Apple has manufactured all of its own computers, although it has purchased parts from many suppliers, including Sony.

But Apple's leadership has concluded that the Cupertino, California, company lacks the skills at miniaturization needed to produce a lightweight notebook-sized machine, which are small versions of personal computers.

"We have begun talking to them" about a portable, said Junichi Kodera, a managing director of Sony and the head of its division that sells chips, disk drives, monitors and other components to computer and consumer electronics makers.

"The talks began relatively recently," Mr. Kodera added, declining to say whether Apple would license its proprietary technology so that Sony could produce a Macintosh-compatible machine under its own label.

So far, Apple officials have declined to discuss the specific companies with which they are negotiating. There have been periodic rumors of discussions with Toshiba Ltd., whose new line of laptop computers has suddenly made the company a force in personal computing.

The discussions with Sony accelerated last week, when Apple's entire board was here to review its Tokyo operations.

During the visit, company officials talked openly about their need for what John Sculley, Apple's chairman, called "relationships on a world scale" with other computer makers.

One of the goals of those relationships, he said, would be to achieve "miniaturization and mobility" for Apple's computers in the 1990's.

"One step is taking the Macintosh technology and getting to market with a lower-cost, higher-growth machine, such as laptops," he said.

Apple currently markets a portable version of its machine, but it is expensive and relatively heavy.

Japanese manufacturers have been in a hotly contested race, costing billions of dollars, to develop machines that weigh about six pounds (2.72 kilograms) or less.

So far, however, virtually all of the machines are compatible with International Business Machines Corp.'s personal computers, in part because IBM's technical standards dominate the business market, and in part because Apple has never licensed the proprietary technology used in the Macintosh.

"It used to be that you could not even bring up the idea of licensing the technology without getting thrown out of the office," said Ian W. Diery, a former top official of Wang Laboratories Inc. who joined Apple a year ago to direct its operations in the Pacific. "Now, no one is scared to bring it up. We have not made any decisions, but it is openly discussed."

If the Macintosh technology were opened, Sony would be a likely candidate as the first licensee because the company is well-known to Apple's management.

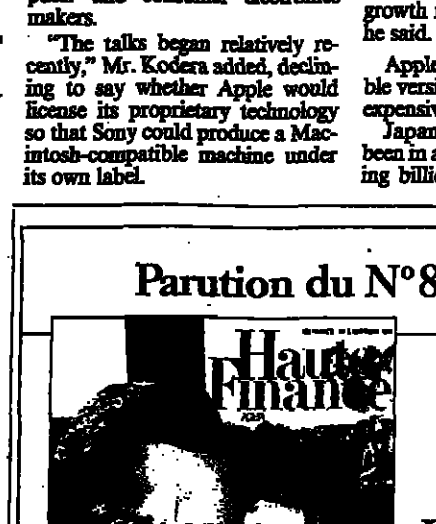
Apple is already one of Sony's biggest customers. But the manufacturing of a new Macintosh would greatly expand the relationship, and industry officials said it could pave the way for a strong alliance.

Sony's own line of computers, while moderately strong in Japan, has made almost no progress abroad.

Leaders of Sony admit to ambivalence about how deeply they want to commit the company's resources to the computer business, especially when it is moving heavily into the record and movie industries.

Nonetheless, it is already dabbling in laptops

Parution du N°8 de HAUTE FINANCE



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MARKET DIARY

STOCKS: *Budget Sparks Rally*

(Continued from page 1)

dex closed at 1,420.73, up 85.84 points.

Paris and Zurich followed suit, although dealers said trading was light in both centers. The CAC index of 40 leading French stocks rose 49.05 points to 1,540.81, while Zurich's SBS index jumped 13.60 points to 526.00.

In New York, stocks got an added boost when Elaine Garzarelli of Shearson Lehman Bros. advised her clients to buy stocks, citing a favorable turn in the indicators she tracks.

Ms. Garzarelli, who achieved recognition for predicting a major collapse just before the October 1987 stock market crash, said she believed the market could rally 10 percent to 12 percent.

Among broader market gauges, the NYSE composite index jumped 4.37 to 172.22. Standard & Poor's 500-stock index rose 8.89 to 314.94.

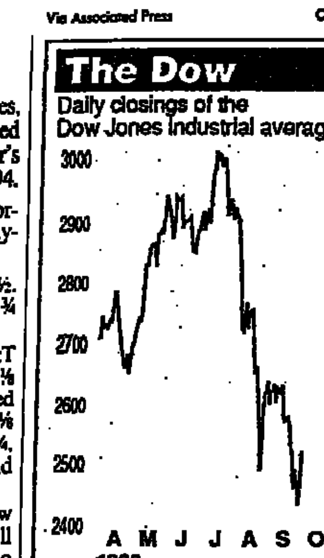
On the trading floor, Philip Morris was the most active issue, rallying 2⅜ to 47⅝.

Pepsico followed, up ½ to 23½. General Electric was third, up 1¾ to 56¼.

Among other blue chips, AT&T jumped 1⅛ to 32⅛, IBM rallied 2¼ to 109, American Express climbed 1½ to 22⅜, Eastman Kodak rose 1⅛ to 39⅞, Merck surged 4⅛ to 80¼, Coca-Cola jumped 2⅛ to 41⅝ and McDonald's advanced 1⅛ to 27.

Oil issues were one of the few declining stock groups. Texaco fell ⅞ to 60⅝ and Chevron lost ⅜ to 73⅝, but Exxon rose ⅝ to 49⅞, among the Dow components. *(Reuters, UPI, AP)*

Via Associated Press Oct. 1



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Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2474.26	2534.65	2446.53	2515.84	+ 63.36
Trans	849.85	879.81	841.72	873.15	+ 31.80
Util	199.70	204.10	198.57	203.35	+ 4.78
Comp	865.55	888.74	857.07	882.70	+ 24.56

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	370.54	360.47	370.54	+ 10.07
Transp.	221.26	214.09	221.14	+ 7.15
Utilities	137.37	133.02	137.36	+ 4.34
Finance	21.59	20.87	21.59	+ 0.72
SP 500	314.94	306.05	314.94	+ 8.89
SP 100	299.94	291.46	299.94	+ 8.48

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	172.22	168.39	172.22	+ 4.37
Industrials	214.44	209.72	214.44	+ 5.25
Transp.	134.77	131.40	134.77	+ 4.39
Utilities	86.82	84.79	86.82	+ 2.41
Finance	113.81	111.34	113.81	+ 3.03

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	354.65	+ 10.1	352.16	381.67
Industrials	380.23	+ 11.8	376.68	408.13
Finance	347.50	+ 7.16	351.51	382.74
Insurance	412.02	+ 5.46	422.58	445.68
Utilities	483.53	+ 20.6	462.35	511.04
Banks	252.59	+ 3.34	258.16	286.77
Transp.	395.23	+ 5.92	393.96	409.51

AMEX Stock Index

High	Low	Close	Ch'ge
308.82	307.48	308.44	+ 0.71

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	89.05	+ 0.28
10 Utilities	90.55	+ 0.37
10 Industrials	87.56	+ 0.20

Market Sales

NYSE 4 p.m. volume	202,210,000
NYSE prev. cons. close	236,898,080
Amex 4 p.m. volume	17,540,000
Amex prev. cons. close	18,410,000
NASDAQ 4 p.m. volume	124,382,800
NASDAQ prev. 4 p.m. volume	157,506,700
NYSE volume up	159,453,090
NYSE volume down	28,680,900
Amex volume up	6,980,680
Amex volume down	9,001,550
NASDAQ volume up	92,310,281
NASDAQ volume down	17,823,481

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Sept. 28	412,455	598,207	42,852
Sept. 27	391,547	623,698	33,186
Sept. 26	379,917	532,683	52,401
Sept. 25	379,850	584,881	19,814
Sept. 24	334,103	710,163	106,384

*Included in the sales figures

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr	35501	47¾	45⅜	47⅝	+2⅜
PepsiC s	30071	24⅜	23⅝	24⅜	+1⅜
GenEl	28323	56½	54½	56¼	+1¾
Citicorp	23668	15⅝	14	15½	+ ⅞
Waste s	23171	34⅜	33	34¼	+ ½
AT&T	22335	32¼	30⅞	32⅛	+1¼
WalMt s	20564	29	27½	29	+1⅜
GTE s	20000	28⅝	27⅜	28⅝	+1⅛
IBM	18510	109½	107⅞	109	+2¼
FedNM	18197	30	28⅞	29⅞	+1⅜
Unitel s	17172	28	27	27⅞	+1
Unisys	17064	5¼	4⅞	5	
EKodak	16680	40⅜	38⅞	39⅞	+1⅛
Boeing s	16195	44½	42⅜	44¼	+2⅛
Chase	15529	12⅜	11⅞	12⅜	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
SNk f93wt	12807	21⅞	20½	20⅝	— ⅛
DK Nk wt	10154	22⅜	21¼	21¼	— ⅝
PW Nk pwt	9590	10⅝	9½	9⅝	— ⅛
PW Nk cwt	6803	3	2⅝	3	+ ⅛
EksNk wt	5917	11	9⅞	9⅞	— ⅞
CornCr	4257	13	12½	12⅞	+ ⅜
SNk 93cwt	4107	3	2⅝	3	+ ⅛
Cornn g	4009	5⅝	5½	5½	— ⅛
BAT In	3895	10½	10⅜	10⅜	+ ⅛
SNk f93wt	3336	22½	21⅞	21⅞	— ⅝
ENSCO	3050	3⅝	3½	3½	— ⅛
BT Nk wt	2987	58½	55¼	55⅝	—1¾
EchoBy	2861	13⅝	12½	12½	—1⅛
AT&E	2766	6⅞	5¾	6½	—1
FruitL	2531	9⅝	9⅛	9⅛	— ⅛

NYSE Diary

	Close	Prev.
Advanced	1199	877
Declined	442	693
Unchanged	369	408
Total Issues	2010	1978
New Highs	4	1
New Lows	126	439

Amex Diary

	Close	Prev.
Advanced	311	294
Declined	262	279
Unchanged	225	249
Total Issues	798	822
New Highs	1	9
New Lows	71	138

NASDAQ Diary

	Close	Prev.
Advanced	1,250	991
Declined	693	1,036
Unchanged	2,302	2,217
Total Issues	4,245	4,244

S&P 100 Index Options

Oct. 1

Strike Price	Calls-Last Oct	Nov	Dec	Jan	Puts-Last Oct	Nov	Dec	Jan
270	32⅛	32	—	—	1⅛	3⅛	5⅛	—
275	26½	27⅝	—	—	1⅝	4⅜	6⅜	—
280	21⅝	25	—	—	1⅞	4⅝	7⅛	9
285	18⅞	20⅝	23⅛	—	2½	5⅜	8⅝	—
290	14	17⅛	19⅝	20	3⅜	7⅛	10⅝	12½
295	10	13⅝	17⅛	—	4⅞	8⅜	11⅝	—
300	7	10⅞	14⅜	15	6	10½	13	15⅛
305	4⅝	8⅛	11½	—	9	12⅛	19	—
310	2⅝	5⅞	9	18⅛	12⅛	15⅛	17⅞	21
315	1⅜	3⅞	7	—	16⅛	19⅝	—	—
320	⅝	2⅞	5	6	20⅛	22	25	21
325	⅜	1¾	—	—	25⅛	28⅛	—	—
330	3/16	1	2½	—	30⅛	37⅛	33½	—
335	⅛	⅝	—	—	36	—	—	—
340	1/16	⅜	1	—	41⅛	41⅛	—	—
345	⅛	¼	—	—	—	—	—	—
350	⅛	⅛	⅜	—	—	—	—	—
355	—	⅛	—	—	—	—	—	—
360	—	⅛	—	—	—	—	—	—
365	⅛	—	—	—	—	—	—	—

Calls: total vol. 213,862; total open int. 455,162
Puts: total vol. 198,907; total open int. 375,422
Source: CBOE.

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1925.00	1930.00	1890.00	1900.00
Forward	1820.00	1828.00	1820.00	1825.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1474.00	1478.00	1525.00	1530.00
Forward	1431.00	1432.00	1462.00	1464.00
LEAD Sterling per metric ton				
Spot	405.00	407.00	412.00	414.00
Forward	415.00	416.00	422.00	424.00
NICKEL Dollars per metric ton				
Spot	9775.00	9825.00	10100.00	10200.00
Forward	9475.00	9480.00	9750.00	9775.00
TIN Dollars per metric ton				
Spot	6360.00	6380.00	6440.00	6460.00
Forward	6380.00	6400.00	6480.00	6500.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1379.00	1381.00	1390.00	1395.00
Forward	1369.00	1371.00	1380.00	1382.00

Dividends

Company	Per	Amt	Pay	Rec
STOCK SPLIT				
Capitol Bancorp Ltd — 11-for-10				
INCREASED				
Brody Co cl-A	Q	.12	10-31	10-12
USUAL				
Cascade Natl Gas	Q	.33	11-15	10-15
Fidel Eqty Incm	M	.05	10-15	9-28
First Fed Svgs Mont	Q	.09	10-25	10-5
Summit Bancorp	Q	.20	12-15	12-1

Source: UPI.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.78	0.85
Coffee, lb	0.86	0.87
Copper electrolytic, lb	1.3955	1.458
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	4.665	4.78
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	117.00	117.00
Tin, lb	4.0214	4.0114
Zinc, lb	0.7023	0.705

European Commodities

	Close Bid	Ask	High	Low	Previous Bid	Ask
LONDON SUGAR U.S. Dollars per metric ton						
Dec	230.00	234.00	243.00	228.00	N.T.	N.T.
Mar	225.40	225.80	230.60	221.40	240.00	246.00
May	226.00	226.80	231.60	224.20	224.60	225.00
Aug	225.60	227.80	226.80	226.40	224.00	224.60
Oct	226.00	228.00	227.00	226.60	224.60	226.60
Dec	210.20	227.00	N.T.	N.T.	225.00	227.00
Mar	215.00	228.00	N.T.	N.T.	218.00	227.00
Volume: 1,768 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Dec	739	740	747	739	N.T.	N.T.
Mar	774	775	781	774	746	747
May	796	797	805	796	782	783
Jul	818	819	823	818	805	806
Sep	840	841	845	840	826	827
Dec	863	865	869	865	846	848
Mar	886	888	894	889	872	873
Volume: 5,163 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Nov	574	575	590	574	N.T.	N.T.
Jan	594	595	607	593	591	592
Mar	594	595	603	594	607	608
May	607	608	615	608	602	603
Jul	620	622	630	622	617	619
Sep	636	638	N.T.	N.T.	628	631
Nov	640	653	N.T.	N.T.	642	644
Volume: 2,522 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Oct	319.00	320.80	339.50	318.00	341.25	341.50
Nov	313.50	314.00	335.50	313.00	—	338.75
Dec	306.00	—	227.50	305.00	329.50	331.25
Jan	301.00	305.00	312.00	301.00	316.00	—
Feb	275.00	280.00	304.00	297.50	300.00	304.00
Mar	260.00	269.00	287.00	277.00	285.00	—
Apr	—	250.50	270.00	251.00	268.50	—
May	247.00	243.00	N.T.	N.T.	268.00	269.00
Jun	240.00	256.00	N.T.	N.T.	—	—
Volume: 10,123 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Dec	1,585	1,550	1,580	1,900	—15
Mar	1,595	1,640	1,580	1,590	—10
May	N.T.	N.T.	1,580	1,595	—13
Aug	N.T.	N.T.	1,625	1,645	—20
Oct	1,625	N.T.	1,600	1,620	—5

Est. vol.: 417 lots of 50 tons. Prev. actual sales: 1,264 lots. Open interest: 9,806.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

U.S. Budget Accord Takes Toll on Dollar

Reuters

NEW YORK — The dollar closed weaker in quiet trading Monday, as dealers speculated that the budget accord between the Bush administration and Congress will lead to lower U.S. interest rates.

But most of the dollar's losses came in earlier overseas trading. It finished mostly higher than its New

Foreign Exchange

York opening, although down from Friday's New York close.

"People tried to extend the dollar's range down," said Walter Simon, vice president of Bank Julius Baer in New York. "But the overall climate was not as bad as it seemed last week."

The dollar finished at 1.5585 Deutsche marks, down from Friday's close of 1.5665 DM.

It also sank to 136.70 yen, down from 138.48 yen Friday.

The U.S. currency also declined against the French franc, closing at 5.2215 francs compared with 5.2440 Friday, and against the Swiss franc, ending at 1.2965 francs compared with 1.2970 francs.

The Bush administration and congressional negotiators agreed on a plan Sunday to reduce the projected deficit by $40.1 billion in fiscal year 1991, which began Monday, and by $500 billion over the next five years.

Federal Reserve Board Chairman Alan Greenspan said several weeks ago that if a credible plan to reduce the deficit was enacted, long-term interest rates would probably decline and the Fed would likely respond by easing monetary policy.

"Everyone is waiting for the FOMC, expecting lower rates," said John Lynam, vice president at Security Pacific Bank in New York. "I think the Fed's hand is forced. The economy needs a boost through lower rates."

He was referring to the policy-making Federal Open Market Committee, which meets Tuesday. But some analysts are less certain than he that the Fed will cut rates. They say the inflationary impact of the oil price rise spawned by Iraq's Aug. 2 invasion of Kuwait will make the Fed hesitant to ease.

Aside from the budget compromise, the dollar also suffered Monday from a perceived lessening of tension in the Middle East.

In London earlier, the dollar closed at 1.5505 DM, down from 1.5675 on Friday, and at 137.05 yen, down from 138.15.

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U.S./AT THE CLOSE

Kaifu Appeals for Japanese Restraint

NEW YORK (Reuters) — Toshiki Kaifu, prime minister of Japan, said Monday that he saw the need for Japanese companies to exercise self restraint and common sense in investing in the United States.

"We have seen misunderstanding emerge from time to time in connection with Japanese investment in the U.S., especially in real estate," Mr. Kaifu said at a news conference winding up a visit to the United States.

Mr. Kaifu said in answer to a question he would like to see "companies exercise common sense."

Exxon to Sue Coast Guard Over Spill

ANCHORAGE, Alaska (AP) — Exxon Corp. and its shipping subsidiary have filed notices of claims against the U.S. Coast Guard totaling more than $2 billion in connection with the Exxon Valdez shipwreck.

Exxon has said it has spent more than $2 billion for both its cleanup efforts and in compensation payments after the oil spill. It has alleged the Coast Guard is wholly or partially liable for costs Exxon incurred.

Boots Seeks New Heart Drug License

NEW YORK (Reuters) — Boots Co. said Monday it had applied to the U.S. Food And Drug Administration for approval to import into the United States Manoplax, its new drug for congestive heart failure.

The company said it discovered the drug in 1979 and has tested it on many patients in the United States, Britain and other countries.

Seattle Wins City Popularity Poll

SEATTLE (UPI) — Seattle is the best city in the United States to locate a business, according to a national survey of business executives.

Of the chief executive officers surveyed in the 1990 Cushman & Wakefield Monitor, 33 percent chose the northwestern city as the best locale for a business, an increase from last year's 29 percent that gave the city second place in the survey.

The city's top rating was caused by its perceived high quality of life for employees, a factor shared by third-placed Portland, Oregon. Seattle replaced Atlanta in the top spot. Atlanta dropped to sixth place.

Matsushita-Tandy Computer Deal

TOKYO (Reuters) — Matsushita Electric Industrial Co. will sell 16-bit notebook-sized personal computers in the U.S. made by Tandy Corp under Matsushita's brand name, a Matsushita spokesman said Monday.

Tandy will start producing several thousand personal computers a month for Matsushita beginning this month, the spokesman said.

Auditors' Ruling Threatens FNN

NEW YORK (UPI) — Financial News Network said Monday it may face "a very substantial noncash loss" for the fourth quarter and the year if auditors decide its $28 million investment in a new financial information service must be charged against current earnings.

If FNN reports such a loss, it may be placed in default on approximately $48.5 million in bank loans, the company said in a statement.

The cable business news company said it is beginning discussions with its principal bank to seek appropriate waivers to prevent default.

Gannett Foundation Rejects Bid

WASHINGTON (AP) — The Gannett Foundation said Monday it had rejected a $540 million bid from the Gannett Co. to buy its 10 percent block of the company's stock.

The foundation was established in 1935 as an independent entity with controlling ownership of the company. Since the company went public, the percentage of ownership by the foundation has declined to its current 10 percent.

Martin F. Birmingham, chairman of the foundation's finance and investment committee, said the foundation had authorized the investment firm of Salomon Brothers to seek other offers. Mr. Birmingham described the Gannett offer as "unsatisfactory."

Gold Falls Under $400 an Ounce as Oil Plunges

Reuters

NEW YORK — Comex gold futures were sharply lower in active trading on Monday, reflecting lower oil prices.

December gold sank to $391.30 an ounce, off $16.80 from Friday's close of $408.10. Spot gold closed at $387 an ounce.

Analysts attributed the lower oil and gold prices to reduced expectations of conflict in the Middle East after Saddam Hussein's indications on Sunday that he was ready to talk about a settlement.

Gold opened lower on the news but suffered larger declines as oil prices skidded.

Gold traders are "still looking at Iraq through oil-covered glasses," one analyst said.

An analyst with CPM Group Ltd., Jeff Christian, said the failure of December gold to reach $415.00 on Friday attracted profit-taking by those who bought two or three weeks ago, as well as forward sales by gold producers.

Gold prices "could teeter this way for some time" Mr. Christian said, pointing to a range of $390.00 to $420.00.

In London trading earlier, gold prices fell on Japanese selling and the easing Gulf tensions, dealers and analysts said.

Gold touched a low around $395 an ounce in the afternoon before fixing at $396.30 an ounce, below Friday's close of $406.25.

Most of the fall came in the Far East, reflecting another steep drop in Japanese stocks.

Some dealers said losses in Asian markets followed selling by investors to meet margin calls against equity positions. But although trading was active in the Far East, business in Europe was routine and mostly restricted to professionals, on trader said.

WORLD STOCK MARKETS

Agence France Presse Oct. 1

Amsterdam	Close	Prev.
ABN Bank	30.80	31
ACF Holding	32	30
Aegon	109.20	107.20
Ahold	124.40	122.50
Akzo	84.20	84.70
AMEV	46.50	45.10
A'Dam Rubber	3.95	3.95
Amro Bank	3210	60
Bols	164	162.80
Buhrmann Tett	52.70	51.10
BVG	18.80	N.Q.
Center Parcs	78.60	78.80
CSM	76.10	74.90
DAF	24	23.30
DSM	84.30	82.10
Elsevier	74.70	72.70
Fokker	33.80	32.40
Gist-Brocades	23	22
Heineken	118.70	116.50
Hoogovens	53.40	52.10
Hunter Douglas	57.20	56.20
IHC Caland	54	53.50
Inter Mueller	68	67.50
KLM	23.70	23
KNP	39.20	37.80
Nat Neder	52.90	51.80
Nedlloyd	48.40	46.80
NMB Postbank	37.90	37.40
Oce Grinten	39.50	40
Pakhoed	185	184.70
Philips	21.80	21.20
Robeco	84.30	83
Rodamco	58.20	58.50
Rolinco	78.80	77.60
Rorento	58.90	58.90
Royal Dutch	137.20	135.40
Unilever	137.80	134.60
Van Ommeren	37.10	35.80
VMF Stork	44.60	42.90
VNU	80	80.50
Wessanen	58.10	56
Wolters/Kluwer	48	46.50

CBS Gen'l trend index : 94.50
Previous : 92.40

Brussels	Close	Prev.
AG Fin	7950	7700
Arbed	3210	3100
Barco	1580	1540
Bekaert	7790	7510
Cockerill	150	149
Cobepa	4700	4680
Delhaize	5550	5380
EBES	3920	3855
GB-Inno-BM	1218	1212
GBL	2205	2225
Gevaert	7200	7180
Hoboken	12800	12775
Intercom	177.25	178.75
Kredietbank	3285	3190
Petrofina	10175	10050
Royal Belge	4990	4900
Soc Gen Banque	4450	4440
Soc Gen Belgique	2020	2030
Sofina	10675	10575
Solvay	9790	9390
Tractebel	3301	3350
UCB	17780	18750
Unerg Ps	2250	2250

Current Stock Index : 5846.67
Previous : 5807.56

Frankfurt	Close	Prev.
AEG	211.90	204.20
Allianz Hold	2210	2050
Altana	458.70	440
Asko	871	858
BASF	211	196.50
Bayer	217	199
Bay. Hypo bank	317	297
Bay Vereinsbk	332	303
BBC	735	660
BHF Bank	386	380
BMW	405	378.50
Commerzbank	227.50	220.10
Continental	281	278
Daimler Benz	687	570
Degussa	339.80	318.50
Dt Babcock	137.50	132.20
Deutsche Bank	603	568
Douglas	785	735
Dresdner Bank	350	331
Feldmuehle	507	507
Harpener	473	473
Henkel	558	540
Hochtief	1148	1050
Hoechst	205.80	190.30
Hoesch	215	199
Holzmann	1145	1065
Horten	193	176
IWKA	278	265
Kali Salz	155	147
Karstadt	592	565
Kaufhof	515	498
KHD	154.50	145
Kloeckner Werke	127	119.80
Krupp Stahl	230	201
Linde	725	702
Lufthansa	123	107.50
MAN	344.50	330
Mannesmann	252	228
Metallgesell	465	439
Muench Rueck	N.Q.	2010
Nixdorf	243.50	229
PKI	525	520
Porsche	734	732
Preussag	294.30	284.80
PWA	214	215
RWE	371	356
Rheinmetall	288	284
Schering	603	559
SEL	271	270
Siemens	540	514.60
Thyssen	197.50	178
Varta	303	287
Veba	308.50	293.50
VEW	205.50	202.50
Viag	326.50	311
Volkswagen	392	367
Wella	623.20	620

DAX Index : 1438.73
Previous : 1334.87
FAZ Index : 599.94
Previous : 569.69

Helsinki	Close	Prev.
Amer A	66	68
Enso-Gutzeit	21.50	21.50
K.O.P.	30	29
Kymmene	35	37
Nokia	57	57
Pohjola	125	130
Stockmann	143	N.Q.
United Papers	N.Q.	—
Wartsila	N.Q.	—

Unitas index : 426.50
Previous : 428.80

Hong Kong	Close	Prev.
Bk East Asia	12.90	12.70
Cathay Pacific	7	7.05
Cavendish Int'l	3.55	3.58
Cheung Kong	10.70	10.50
China Light Pwr	13.30	12.90
Dairy Farm Int'l	8.30	8.15
Hang Lung Dev	5	4.98
Hang Seng Bank	19.20	19.10
Henderson Land	7.50	7.45
HK Air Eng.	14.10	13.80
HK China Gas	8.90	8.90
HK Electric	8.45	8.30
HK Land	7.45	7.35
HK Realty Trust	4.30	4.28
HK Shang Bank	4.95	4.88
HK Shang Htls	3.75	3.73
HK Telecomm	5.55	5.50
HK Ferry	3.48	3.50
Hutch Whampoa	10.10	10.10
Hysan Dev	1.17	1.15
Jardine Math.	28.90	28.70
Jardine Str Hld	15.10	14.80
Kowloon Motor	5.35	5.30
Mandarin Orient	4.35	4.28
Miramar Hotel	5.30	5.10
New World Dev	8.05	8
SHK Props	13.10	12.80
Stelux	2.58	2.50
Swire Pac A	14.30	14.10
Tai Cheung Prps	3.38	3.33
TVE	0.92	0.92
Wharf Hold	7.55	7.50
Wing On Co	6.55	6.45
Winsor Ind.	6.85	6.85
World Int'l	3.80	3.75

Hang Seng Index : 2791.26
Previous : 2760.82

Johannesburg	Close	Prev.
AECI	13.15	13.15
Altech	70	70
Anglo Amer	96.50	96.50
Barlows	30	30
Blyvoor	15	15
Buffels	62	62
GFSA	69	71
Harmony	37	37.50
Highveld Steel	13.25	13.25
Kloof	37.85	37.85
Nedbank Grp	10.80	10.80
Rusplat	67	68
SA Brews	36.50	36.50
St Helena	36	37.50
Sasol	14.25	14.25
Welkom	24	25.25
Western Deep	140	143

Composite Stock Index : 2708
Previous : 2734

London	Close	Prev.
Allied Lyons	4.33	4.23
Anglo Am Gld	42.81	44.66
AA Corp	12.88	13.69
Asda-MFI Gp	1.17	1.12
Ass Brit Foods	4.09	4.02
Barclays	3.20	3.11
Bass	9.33	9.20
B.A.T.	5.54	5.40
Blue Circle	1.95	1.92
BOC Group	4.63	4.50
Boots	2.95	2.85
Bowater	4.18	4.14
BAe	5.65	5.41
BAA	3.68	3.59
Brit Airways	1.48	1.45
British Gas	2.11	2.07
BP	3.46	3.45
British Steel	1.18	1.16
Brit Telecom	2.48	2.43
BTR	3.28	3.13
Burmah Oil	4.70	4.65
Cable Wire	4.13	4.03
Cadbury Sch	3.11	3.05
Charter Cons	3.50	3.52
Comm Union	4.24	4.11
Cookson	0.75	0.76
Courtaulds	2.91	2.90
Dalgety	3.62	3.57
De Beers	9.46	9.62
Dixons	1.21	1.15
Driefontein	6.45	6.65
Eurotunnel	3.68	3.83
Fisons	3.54	3.51
Gen Acc F	4.35	4.20
GEC	1.84	1.80
GKN	3.15	3
Glaxo	7.55	7.32
Grand Met	5.40	5.30
Gt Univ Stores	13.38	13.38
GRE	1.82	1.71
Guinness	6.77	6.74
Hanson Tr	1.87	1.83
Hawker Sidd	4.16	4.02
ICI	8.28	8.10
Kingfisher	3.35	3.29
Land Sec	4.68	4.54
Legal Gen Grp	3.66	3.58
Lloyds Bank	2.46	2.40
Lonrho	2.05	2.08
Lucas Ind	1.18	1.16
Marks Sp	2.21	2.16
Maxwell	1.49	1.45
MB Group	1.55	1.52
Midland Bk	1.95	1.95
NatWest	2.42	2.35
Pearson Grp	6.45	6.33
P and O	4.70	4.60
Pilkington	1.49	1.42
Prudential	1.99	1.93
Racal Elec	1.41	1.35
Randfontein	2.83	2.86
Rank Org	5.57	5.41
Reed Intl	3.35	3.27
Reuters	7.85	7.43
Rolls Royce	1.78	1.72
Royal Dutch	41.44	40.94
RTZ	4.01	4
Saatchi	0.38	0.38
Sainsbury	2.93	2.87
Sears Holds	0.84	0.83
Shell	4.53	4.48
Skbeec	5.37	5.22
STC	2.49	2.42
Std Chart Bk	2.84	2.66
Storehouse	1.18	1.20
Sun Alliance	2.77	2.70
Tate and Lyle	2.45	2.37
Tesco	2.24	2.19
Thorn EMI	5.85	5.83
T.I. Group	3.86	3.79
Trafalgar Hse	1.98	1.88
THF	2.35	2.32
Ultramar	3.38	3.41
Unilever	6.20	6.04
Utd Biscuits	3.08	3.10
Vickers	1.90	1.88
War Loan 3½	31.44	31.31
Wellcome	4.70	4.75
Woolworth	12.56	12.75

F.T. 30 Index : 1565.70
Previous : 1531.40
F.T.S.E. 100 Index : 2030.80
Previous : 1990.20

Madrid	Close	Prev.
Bco. Bilbao/Viz.	2465	2575
Banco Central	4250	4205
Bco. Santander	3850	3700
Banesto	2730	2725
CEPSA	1735	1655
Dragados	2180	2085
Iberduero	575	570
Telefonica	792	772

S.E. General Index : 212.76
Previous : 209.37

Milan	Close	Prev.
Banca Comm	4870	4681
Bastogi	246	239
Cigahotels	3720	3700
CIR	3025	3000
Cred Ital	2340	2275
Enimont	1185	1155
Eridania	8215	8300
Ferruzzi Fin.	2155	2129
Ferruzzi Agr.	1715	1702
Fiat SPA	6480	6125
Generali	35700	35050
IFI	17400	16800
Italcem	19300	19370
Italgas	2657	2655
Italmobiliare	17950	17620
Mediobanca	15020	14600
Montedison	1211	1150
Olivetti	3990	3845
Pirelli	1695	1625
RAS	19510	19700
Rinascente	6450	6300
Saipem	1772	1720
SIP	1190	1165
SME	3995	3935
Snia	1550	1448
Standa	28950	28900
Stet	2080	2045
Toro Assi Risp	22100	22300

a: x 100.
MIB current index : 818.30
Previous : 810.70

Montreal	Close	Prev.
Alcan Aluminum	23¾	23⅛
Bank Montreal	25¼	24⅝
Bell Canada	35⅝	35¾
Bombardier A	15⅛	N.Q.
Bombardier B	15⅝	15
Cambior	13¾	14⅛
Cascades	3½	3½
Dominion Text A	9	9¼
Donohue	N.Q.	—
MacMillan Bl	15½	15⅝
Memotec	7⅝	7¾
Natl Bk Canada	7⅝	7⅝
Noverco	N.Q.	—
Power Corp.	14¼	14
Provigo	9	9
Quebec Tel	14	14
Quebecor A	N.Q.	11½
Quebecor B	10⅝	10¼
Videotron	9⅞	10

Industrials Index : 1287.10
Previous : 1259.44

Paris	Close	Prev.
Accor	710	697
Air Liquide	603	592
Avions Dassault	450	448
Bancaire (Cie)	369	350
BIC	615	598
Bongrain	2600	2440
Bouygues	419	400
BSN-GD	753	725
Carrefour	3295	3170
Cerus	171.20	170
C.G.E.	502	475
Chargeurs	757	742
Club Med	402	399.90
Dumez	616	577
Elf-Aquitaine	660	660
Europe 1	998	963
Gen. Eaux	2830	1992
Hachette	187.50	185
Havas	464.90	449
Imetal	228	222
Lafarge Coppee	347	332.50
Legrand	3370	3230
Oreal (L')	460.20	439
L.V.M.H.	3251	3133
Matra	211	211.50
Merlin Gerin	484	465
Michelin B	57.50	58.50
Moulinex	79.50	75.55
Occidentale	610	576
Paribas	444	430
Pernod-Ricard	997	995
Perrier	1087	1050
Peugeot	542	520
Printemps (Au)	508	472
Radiotechnique	369	365
Raff. St. Louis	1160	1123
Redoute (La)	2650	2700
Roussel Uclaf	1729	1711
Saint Gobain	355.20	344
Sanofi	748	725
S.E.B.	1005	1020
Skis Rossignol	904	900
Ste Generale A	383	374
Suez	285	273.50
Telemecanique	4115	4115
Thomson-CSF	101.50	100.50
Total	697	705
Valeo	307.90	296

CAC 40 Index : 1540.81
Previous : 1491.76

Sao Paulo	Close	Prev.
Banco do Brasil	19	18.50
Bradesco	1.40	1.45
Brahma	7	6.90
Paranapanema	1.16	1.19
Petrobras	139	129
Vale Rio Doce	30.80	29.80
Varig	10.70	10.65

Bovespa Index : 23630
Previous : 23609

Singapore	Close	Prev.
City Dev.	2.29	2.34
DBS	8.80	8.80
Fraser Neave	6.55	6.45
Genting	7.95	7.90
Harrisons Plant	1.27	1.32
Haw Par	2.16	2.14
Hume	2.79	2.80
Inchcape	3.84	3.88
Keppel	5.60	5.20
KL Kepong	2.85	2.45
Lum Chang	0.91	0.93
Malayan Banka	5.75	6.15
OCBC	6.80	6.65
OUB	3.82	3.86
OUE	5.20	5.15
Sembawang	3.94	3.72
Shangrila	5.40	5.60
Sime Darby	2.30	2.31
SIA	10.20	10.10
S'pore Land	5.35	5.40
S'pore Press	7.55	7.50
Sing Steamship	2.28	2.24
Straits Trading	2.46	2.47
UOB	5.10	4.98
United Overseas	1.38	1.28

Straits Times Ind. : 1183.44
Previous : 1098.68

Stockholm	Close	Prev.
AGA	267	260
Alfa Laval	190	165
Asea	540	511
Astra-A	440	410
Atlas Copco	201	189
Electrolux B	165	157
Ericsson	198	183
Esselte-A	190	180
Handelsbanken	107	104
Pharmacia-A	N.Q.	—
Norsk Hydro	224.50	N.Q.
Saab-Scania	185	180
Sandvik	218	207
SCA-A	94	86
S-E. Banken	66	60
Skandia F	131	125
Skanska	350	320
SKF	99	92.50
Stora	240	222
Trelleborg B	121	112
Volvo	287	275

Affaersvaerlden : 965.63
Previous : 867.89

Sydney	Close	Prev.
ANZ	4.06	4.08
BHP	10.60	10.75
Boral	3.09	3.08
Bougainville	0.90	0.95
Coles Myer	7.60	7.50
Comalco	3.98	4.05
CRA	10.55	10.45
CSR	4.70	4.72
Dunlop	4.50	4.50
Elders IXL	1.40	1.43
ICI Australia	3.80	3.80
Magellan	1.95	1.91
MIM	2.16	2.13
Nat Aust Bank	5.78	5.86
News Corp	6.50	7.54
N Broken Hill	2.15	2.13
Poseidon	1.88	2.02
QCT Resources	1.26	1.22
Santos	5.18	5.18
TNT	1.89	1.89
Western Mining	4.47	4.70
Westpac Banking	4.06	4.13
Woodside	3.25	3.26

All ordinaries index : 1385.70
Previous : 1378.70

Tokyo	Close	Prev.
Akai Electr	425	455
Asahi Chemical	690	716
Asahi Glass	1040	1090
Bank of Tokyo	930	942
Bridgestone	1020	998
Canon	1380	1360
Casio	940	960
C.Itoh	570	562
Dai Nippon Print	1300	1320
Daiwa House	1660	1660
Daiwa Securities	895	935
Fanuc	4410	4500
Fuji Bank	1650	1640
Fuji Photo	3560	3550
Fujitsu	1020	1000
Hitachi	1190	1140
Hitachi Cable	801	840
Honda	1240	1300
Ito Yokado	3190	3100
Japan Air Lines	931	969
Kajima	1220	1250
Kansai Power	2090	2100
Kawasaki Steel	400	400
Kirin Brewery	1280	1350
Komatsu	940	930
Kubota	560	570
Kyocera	5800	5750
Matsu Elec Inds	1750	1650
Matsu Elec Wks	1450	1460
Mitsubishi Bk	1470	1530
Mitsubishi Kasei	464	496
Mitsubishi Elec	677	640
Mitsubishi Hev	640	637
Mitsubishi Corp	1150	1150
Mitsui and Co	610	640
Mitsukoshi	1020	1090
Mitsumi	1100	1080
NEC	1350	1360
NGK Insulators	950	1050
Nikko Securities	747	800
Nippon Kogaku	971	969
Nippon Oil	790	810
Nippon Steel	400	398
Nippon Yusen	505	500
Nissan	718	716
Nomura Sec	1440	1520
NTT (SF)	7186	6999
Olympus Optical	950	970
Pioneer	3700	3750
Ricoh	711	754
Sanyo Elec	650	678
Sharp	1200	1220
Shimazu	670	718
Shinetsu Chem	1040	1120
Sony	5680	5600
Sumitomo Bk	1590	1630
Sumitomo Chem	390	425
Sumi Marine	650	680
Sumitomo Metal	398	405
Taisei Corp	820	840
Taisho Marine	617	630
Takeda Chem	1420	1440
TDK	4790	4900
Teijin	495	490
Tokyo Marine	960	950
Tokyo Elec Pw	2700	2900
Toppan Printing	1270	1290
Toray Ind.	555	565
Toshiba	747	734
Toyota	1830	1800
Yamaichi Sec	770	790

Nikkei 225 : 28222
Previous : 28784
Topix Index : 1923
Previous : 1971

Toronto	Close	Prev.
Abitibi Price	14½	14½
Agnico Eagle	7⅛	7⅝
Air Canada	8⅛	8⅛
Alberta Energy	16½	18⅜
Am Barrick Res	24⅝	26¼
BCE	35½	35¼
BCED	0⅛	0⅛
Bk Nova Scotia	11⅛	11⅛
BC Gas	15⅛	15
BC Phone	17⅛	16⅞
BP Canada	20⅜	20⅜
Bramalea	6¼	6
Brunswick	N.Q.	8
CAE	5⅝	5½
Campeau	0.84	0.85
CIBC	22⅛	21⅞
Canadian Pacific	18	17¾
Can Packers	9½	9¼
Can Tire A	20⅛	19¾
Cantor	21½	21
Cara	15	14¼
CCL Ind B	7¾	N.Q.
Cineplex	3.65	3.65
Cominco	22½	22⅝
Conwest Expl A	N.Q.	—
Corona A	6⅛	6⅞
Denison Min B	1.20	1.23
Dickenson Min A	4⅝	N.Q.
Dofasco	18⅛	17½
Dylex A	2½	2½
Echo Bay Mines	14⅞	15¼
Equity Silver A	1.11	1.10
FCA Intl	9⅛	8½
Fed Ind A	9⅛	9
Fletcher Chall A	13½	13¾
FPI	N.Q.	4
GoldCorp	4.40	4.70
Gulf Cda Res	16⅛	16⅝
Hees Intl	15⅝	15
Hemlo Gld Mines	10⅝	11½
Hollinger	10⅛	10
Horsham	8⅝	9⅛
Hudson Bay	N.Q.	5⅝
Imasco	31⅛	30⅞
Inco	32	31¼
Interhome	49	48½
Jannock	13	13
Labatt	18⅛	18¾
Loblaw Co	17	16⅞
Mackenzie	6	6
Magna Intl A	3.20	3.05
Maritime	17	16⅞
Mark Res	11½	11⅜
MacLean Hunt X	6	8
Molson A	29½	29½
Noma Ind A	4.40	4.70
Noranda	16⅛	16⅜
Noranda Forest	8⅛	8½
Norcen Energy	27⅛	27⅞
Nova Corp	7⅝	7⅝
Oshawa	27⅛	27⅛
Pagurin A	6⅛	6⅛
Placer Dome	19⅛	20⅛
Poco Petroleum	8⅛	8¼
PWA Corp	8⅛	8½
Quebec Sturgeon	N.Q.	0.70
Rayrock	9	N.Q.
Renaissance	15½	16⅛
Rogers B	6½	6¼
Rothmans	53½	53¾
Royal Bank Can	20⅛	20⅛
Royal TrustCo	9⅛	9⅞
Sceptre Res	4.30	4.40
Scott's Hosp	12⅜	12½
Seagram	86⅜	85⅝
Sears Can	10⅛	10⅛
Shell Can	39½	39½
Sherritt Gordon	6⅛	7
SHL Systemhse	6½	6½
Southam	17⅛	17¾
Spar Aerospace	8⅛	8¼
Stelco A	13⅛	13¼
Teck B	23⅞	24½
Thomson News	14⅛	14¼
Toronto Domn	15⅝	15
Torstar B	24	23⅝
Transalta Util	11½	11⅛
TransCda Pipe	15⅛	15⅛
Trilon Finl A	13⅛	13⅜
Trimac	6⅛	7
Trizec A	12	11¼
Turbo Resources	0.35	0.25
Unicorp A	N.Q.	1
Woodward's Ltd	1.30	1.30

TSE 300 Index : 3172.00
Previous : 3157.78

Zurich	Close	Prev.
Adia Intl	955	935
Alusuisse	965	930
Leu Holdings	1500	1540
Brown Boveri	4140	3930
Ciba Geigy	2530	2350
CS Holding	1830	1750
Elektrow	3050	3010
Fischer	1350	1300
Interdiscount	3600	3600
Jacobs Suchard	7800	8550
Jelmoli	1560	1610
Landis Gyr	1200	1120
Moevenpick	4730	4550
Nestle	7110	6960
Oerlikon-B	680	650
Pargesa Hld	1000	1020
Roche Holding B	3400	3250
Safra Republic	55	56
Sandoz	1640	1575
Schindler	5050	4900
Sulzer	440	430
Surveillance	4100	4100
Swissair	660	640
SBC	287	280
Swiss Reinsur	448	431
Swiss Volksbank	1190	1155
Union Bank	2880	2740
Winterthur	3430	3280
Zurich Ins	1650	1600

SBS Index : 526.00
Previous : 512.60

U.S. FUTURES

Via Associated Press Oct. 1

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.80	2.67¾	Dec	2.75½	2.76¼	2.67½	2.67¾	—.10
3.85	2.82½	Mar	2.89¾	2.90	2.81	2.81¼	—.10
3.73	2.91	May	2.97½	2.97½	2.89	2.89½	—.09½
3.43	2.96½	Jul	3.00	3.00½	2.94	2.94	—.08¾
3.26	3.02	Sep	3.04	3.04	3.00	3.00	—.07¼
3.17	3.13	Dec	3.15	3.15	3.10	3.10	—.05½
Est. Sales		Prev. Sales 7,949					
Prev. Day Open Int. 60,005 off 362							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.96½	2.27½	Dec	2.26¾	2.26¾	2.22¾	2.23	—.05
3.02½	2.30¾	Mar	2.36	2.36½	2.32¼	2.32¾	—.04½
3.06½	2.37½	May	2.41½	2.42	2.38	2.38¼	—.05
3.08¼	2.42	Jul	2.45	2.45½	2.41½	2.42	—.04½
2.87½	2.41¼	Sep	2.43¾	2.44¾	2.40¼	2.41	—.03¼
2.75	2.42½	Dec	2.44¾	2.46	2.42½	2.42¾	—.03¼
2.53	2.50	Mar	2.50	2.50	2.49	2.49	—.02½
Est. Sales		Prev. Sales 29,787					
Prev. Day Open Int. 204,612 off 1,459							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.82	5.64½	Nov	6.13	6.13	6.04	6.04½	—.13
6.92	5.87	Jan	6.28	6.28	6.19	6.19½	—.13¼
7.03	5.65½	Mar	6.39½	6.40	6.32	6.32½	—.13
7.11	6.14½	May	6.49½	6.49½	6.41½	6.41¾	—.12½
7.18	6.25	Jul	6.56½	6.57	6.49	6.49½	—.13
6.95	6.28	Aug	6.51½	6.51½	6.43½	6.43½	—.11½
6.54	6.29	Sep	6.32½	6.32½	6.23	6.23	—.10
6.74	6.12½	Nov	6.21½	6.21½	6.14½	6.14½	—.09½
		Jan				6.24½	—.09½
Est. Sales		Prev. Sales 33,771					
Prev. Day Open Int. 103,173 up 1,616							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
200.00	168.00	Oct	175.90	175.90	173.80	174.30	—2.60
205.50	170.50	Dec	181.50	181.50	179.60	179.90	—2.70
204.00	171.50	Jan	183.50	183.50	181.60	181.80	—2.80
212.00	174.50	Mar	186.00	186.30	184.50	184.80	—3.00
208.00	175.80	May	187.50	187.50	186.00	186.00	—3.50
209.00	177.50	Jul	188.50	189.00	187.30	187.30	—3.40
195.00	176.50	Aug	188.00	188.00	187.00	187.00	—2.70
193.50	175.50	Sep	188.00	188.00	185.00	185.00	—2.70
189.00	184.00	Oct	185.00	185.40	183.50	183.60	—3.60
189.80	182.00	Dec	186.00	186.00	183.50	184.00	—2.20
Est. Sales		Prev. Sales 24,585					
Prev. Day Open Int. 56,551 off 2,001							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.56	19.65	Oct	23.28	23.30	22.70	22.74	—.64
25.55	19.75	Dec	23.50	23.50	22.97	22.99	—.57
25.55	19.81	Jan	23.70	23.70	23.28	23.29	—.54
25.61	19.82	Mar	24.07	24.07	23.73	23.73	—.42
25.55	20.15	May	24.25	24.25	24.00	24.01	—.38
25.60	21.05	Jul	24.33	24.33	24.13	24.13	—.37
25.30	24.15	Aug	24.25	24.25	24.10	24.10	—.35
25.10	23.85	Sep	24.01	24.03	23.87	24.01	—.29
24.90	23.65	Oct	23.40	23.40	23.30	23.35	—.37
24.00	23.40	Dec	23.20	23.20	23.15	23.30	—.15
Est. Sales		Prev. Sales 17,423					
Prev. Day Open Int. 68,082 off 264							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
79.72	68.30	Oct	79.85	80.45	79.70	80.17	+1.12
78.12	71.00	Dec	77.50	77.95	77.10	77.45	+1.00
77.80	72.50	Feb	75.30	76.17	75.25	75.50	+.80
78.05	74.15	Apr	76.00	76.40	75.75	75.90	+.85
75.45	72.52	Jun	73.45	73.90	73.25	73.40	+.55
73.80	71.05	Aug	71.70	72.15	71.70	71.75	+.53
72.60	71.02	Oct	72.00	72.40	71.80	71.80	+.48
Est. Sales 16,118		Prev. Sales 12,118					
Prev. Day Open Int. 66,121 off 335							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
88.30	78.20	Oct	87.55	88.47	87.50	88.12	+1.15
88.10	79.00	Nov	86.50	87.45	86.70	87.10	+1.15
87.15	79.75	Jan	85.45	86.35	85.20	86.22	+1.37
85.60	80.90	Mar	83.75	84.65	83.75	84.00	+.85
84.85	81.20	Apr	82.95	83.82	82.95	83.25	+.93
83.50	80.20	May	82.25	83.10	82.25	82.60	+.95
Est. Sales		Prev. Sales 1,522					
Prev. Day Open Int. 11,617 up 200							
HOGS (CME) 30,000 lbs.- cents per lb.							
55.80	40.80	Oct	56.32	56.32	56.32	56.32	+1.50
55.45	44.25	Dec	54.20	54.20	54.20	54.20	+1.50
52.95	45.25	Feb	51.35	51.35	51.35	51.35	+1.50
48.80	43.60	Apr	48.02	48.02	48.02	48.02	+1.50
51.85	47.70	Jun	51.35	51.35	51.35	51.35	+1.50
51.00	48.30	Jul	51.00	51.42	51.00	51.45	+1.50
49.50	46.90	Aug	49.70	50.20	49.70	50.20	+1.50
44.50	42.90	Oct	45.95	45.97	45.95	45.97	+1.50
Est. Sales 721		Prev. Sales 6,016					
Prev. Day Open Int. 25,765 off 300							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.65	48.07	Feb	60.20	60.20	60.20	60.20	+2.00
62.95	49.20	Mar	60.07	60.07	60.07	60.07	+2.00
63.00	49.50	May	60.67	60.67	60.67	60.67	+2.00
59.00	50.75	Jul	60.52	60.52	60.52	60.52	+2.00
57.15	51.60	Aug				58.58	+2.00
Est. Sales		Prev. Sales 1,946					
Prev. Day Open Int. 5,559 off 197							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
109.50	81.00	Dec	93.00	93.50	92.00	92.49	—.60
116.75	83.00	Mar	96.05	96.65	95.25	95.65	—.50
123.00	91.25	May	98.20	98.70	97.50	97.85	—.40
111.50	92.75	Jul	100.25	101.00	100.25	101.70	+1.20
113.50	97.50	Sep	102.25	102.25	101.70	101.70	—.55
116.00	.42	Dec				104.25	—.75
Est. Sales 6,747		Prev. Sales 8,733					
Prev. Day Open Int. 38,197							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.22	9.73	Mar	10.10	10.33	10.00	10.13	+.02
15.05	9.80	May	10.12	10.34	10.01	10.15	+.02
14.90	9.88	Jul	10.14	10.32	10.02	10.15	—.01
14.40	.72	Oct	10.13	10.33	10.05	10.18	+.02
Est. Sales 21,247		Prev. Sales 32,603					
Prev. Day Open Int. 104,734							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1558	965	Dec	1287	1287	1236	1240	—41
1581	607	Mar	1323	1325	1286	1288	—34
1572	1000	May	1352	1353	1316	1316	—38
1590	1060	Jul	1370	1370	1350	1343	—41
1515	1264	Sep	1400	1400	1376	1376	—40
1535	1325	Dec				1409	—40
Est. Sales 6,547		Prev. Sales 2,928					
Prev. Day Open Int. 48,402							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
199.50	124.00	Nov	136.50	137.50	135.75	136.80	—.20
191.00	125.00	Jan	131.50	133.10	131.20	132.40	+.30
190.50	129.75	Mar	132.10	133.40	132.10	132.80	+.05
190.00	131.00	May	132.50	132.50	132.25	132.40	—.20
180.00	131.50	Jul				132.40	—.20
Est. Sales		Prev. Sales 250					
Prev. Day Open Int.							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
136.00	94.50	Oct	125.60	126.50	125.40	125.70	—.90
127.80	94.50	Nov	120.50	120.50	120.50	120.65	—1.00
131.20	91.50	Dec	117.10	118.50	116.80	117.00	—1.00
126.40	94.00	Jan	115.50	115.50	114.40	114.80	—1.00
115.50	99.50	Feb				112.65	—1.55
122.60	92.30	Mar	111.00	112.00	110.60	110.70	—1.45
115.50	99.85	Apr				109.00	—1.55
117.80	97.00	May	108.80	109.50	108.40	108.30	—1.48
109.00	102.30	Jun				107.15	—1.35
113.50	96.50	Jul	106.90	106.90	106.90	106.18	—1.35
		Aug				104.85	—1.30
110.50	95.50	Sep	104.00	104.40	103.90	103.60	—1.30
108.50	94.50	Dec	101.00	101.70	101.00	100.70	—1.10
		Jan				99.85	—1.10
103.45	96.00	Mar	99.75	99.75	99.75	98.95	—1.10
		May				97.45	—1.10
		Jul				96.75	—1.10
Est.Sales 12,000		Prev.Sales 8,547		Prev.Day Open Int. 22,390			Chg. +940
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
		Oct				78.00	—7.00
		Nov				78.00	—7.00
80.00	75.80	Dec	78.00	78.00	78.00	78.00	—7.00
75.00	75.00	Jan				78.00	—7.00
75.00	75.00	Mar				78.00	—7.00
75.00	75.00	May				78.00	—7.00
75.00	75.00	Jul				78.00	—7.00
		Sep				78.00	—7.00
75.00	75.00	Dec				78.00	—7.00
75.00	75.00	Jan				78.00	—7.00
75.00	75.00	Mar				78.00	—7.00
		May				78.00	—7.00
		Jul				78.00	—7.00
Est. Sales		Prev. Sales					
Prev. Day Open Int. 1							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
524.0	477.0	Oct	463.0	463.0	463.0	464.0	—12.1
		Nov				467.1	—12.2
742.0	478.5	Dec	481.5	482.0	468.0	471.0	—12.2
688.0	490.5	Jan				473.4	—12.3
665.0	489.0	Mar	492.0	493.0	478.0	481.4	—12.5
647.0	498.0	May	500.0	500.0	487.0	488.2	—12.7
667.5	505.5	Jul	507.0	507.0	491.0	495.2	—12.9
654.0	512.5	Sep	506.0	506.0	506.0	502.8	—13.1
623.5	525.0	Dec	525.0	525.0	508.0	513.1	—13.8
596.0	546.0	Jan				516.3	—14.0
613.0	537.5	Mar	533.0	533.0	525.0	524.0	—14.5
589.0	549.5	May				531.6	—14.8
557.0	557.0	Jul	550.0	550.8	550.0	539.0	—15.5
Est. Sales 22,000		Prev. Sales 6,239					
Prev. Day Open Int. 91,807 up 319							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
560.50	425.00	Oct	429.50	431.00	426.50	426.80	—6.30
551.00	432.00	Jan	434.00	437.50	431.80	432.60	—6.50
554.50	439.40	Apr	439.00	444.00	437.50	438.40	—6.90
528.50	446.30	Jul	447.40	447.40	443.50	443.70	—7.30
513.00	470.00	Oct	453.20	454.30	449.40	449.20	—7.30
		Jan				455.20	
Est. Sales		Prev. Sales 6,447					
Prev. Day Open Int. 19,752 off 23							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
147.00	95.00	Dec	96.00	97.00	96.00	96.25	—.20
142.00	96.00	Mar				97.75	—.20
125.25	100.00	Jun				99.50	—.20
119.40	105.00	Sep				101.50	—.20
114.50	109.00	Dec	102.00	103.00	103.00	103.00	—.20
Est. Sales		Prev. Sales 450					
Prev. Day Open Int. 5,013 off 61							

Est. Sales Prev. Sales 450
Prev. Day Open Int. 5,013 off 61

Season High	Season Low		Open	High	Low	Close	Chg.
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
472.00	352.50	Oct	397.00	399.80	386.50	386.60	—15.90
		Nov				389.10	—16.20
455.50	357.00	Dec	403.50	404.00	390.00	391.60	—16.50
457.50	362.00	Feb	409.00	409.00	393.50	395.90	—16.70
460.00	366.20	Apr	411.50	412.80	398.50	399.90	—16.90
466.20	372.00	Jun	416.20	416.80	403.50	404.10	—17.20
468.00	375.00	Aug	420.70	420.70	410.00	407.90	—17.40
476.00	385.00	Oct	424.00	424.00	424.00	412.40	—17.90
483.00	385.00	Dec	429.00	429.00	420.50	416.90	—18.20
456.50	392.00	Feb	435.50	435.50	435.50	421.80	—18.50
446.00	396.50	Apr				426.40	—18.80
467.00	426.80	Jun				431.50	—19.00
		Aug				436.50	—19.30
Est. Sales 70,000		Prev. Sales 46,561					
Prev. Day Open Int. 116,620 off 1,478							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.39	91.61	Dec	93.31	93.31	93.21	93.25	+.02
93.42	91.46	Mar	93.42	93.42	93.35	93.38	+.05
93.32	91.52	Jun	93.26	93.26	93.25	93.25	+.02
93.00	91.40	Sep				93.07	+.02
92.65	92.25	Dec				92.77	+.02
Est. Sales 9,174		Prev. Sales 12,872					
Prev. Day Open Int. 41,794 up 1,793							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
97-31	92-29	Dec	94-26	95-12	94-23	95-9	+21
97-25	92-23	Mar	94-19	95-1	94-17	95	+21
94-4	93-18	Jun				94-24	+20
Est. Sales		Prev. Sales 24,130					
Prev. Day Open Int. 68,534 up 740							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-24	80	Dec	89-28	90-17	89-14	90-13	+11
99-12	79-21	Mar	89-5	90-4	89-1	90	+11
99-4	82-18	Jun	88-25	89-23	88-23	89-20	+11
99-5	85-29	Sep	88-12	89-10	88-12	89-9	+11
98-20	85-19	Dec	88-3	88-31	88-2	88-31	+12
98-13	85-14	Mar	87-30	88-21	87-30	88-21	+12
97-19	85-3	Jun	87-21	88-12	87-21	88-12	+12
92-12	87-14	Sep				88-3	+12
86-13	86-6	Dec				87-27	+12
Est. Sales		Prev. Sales 341,406					
Prev. Day Open Int. 295,794 up 9							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
90-21	85-14	Dec	87-18	88-5	87-14	88-3	+26
89-29	85	Mar				86-30	+27
89-17	84-26	Jun				86-14	+26
89-6	84-7	Sep				85-28	+26
Est. Sales		Prev. Sales 3,505					
Prev. Day Open Int. 7,831 up 282							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.40	89.85	Dec	92.06	92.08	92.03	92.06	+.12
92.35	89.96	Mar	92.11	92.18	92.09	92.14	+.15
92.19	89.91	Jun	92.02	92.02	91.97	92.00	+.12
92.04	90.04	Sep	91.79	91.79	91.73	91.76	+.11
91.82	90.04	Dec	91.48	91.49	91.41	91.45	+.09
91.82	90.09	Mar	91.41	91.41	91.32	91.36	+.07
91.76	90.35	Jun	91.29	91.29	91.22	91.25	+.06
91.72	90.32	Sep	91.22	91.22	91.14	91.16	+.04
91.53	90.24	Dec	91.06	91.06	90.99	91.01	+.04
91.45	90.28	Mar	91.03	91.03	90.96	90.98	+.04
91.51	90.27	Jun	90.94	90.94	90.87	90.89	+.04
91.47	90.32	Sep	90.83	90.83	90.79	90.82	+.04
91.37	90.22	Dec	90.71	90.71	90.70	90.72	+.04
91.00	90.24	Mar	90.69	90.69	90.68	90.70	+.04
90.97	90.41	Jun	90.65	90.65	90.42	90.64	+.04
90.59	90.42	Sep	90.60	90.60	90.58	90.60	+.04
Est. Sales		Prev. Sales 135,612					
Prev. Day Open Int. 643,746 up 3,335							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9230	.0230	Dec	1.8674	1.8680	1.8538	1.8558	+75
1.8950	1.6610	Mar	1.8390	1.8390	1.8250	1.8276	+62
1.8300	1.7460	Jun				1.8040	+56
Est. Sales 16,447		Prev. Sales 7,675					
Prev. Day Open Int. 28,248 up 494							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8734	.8050	Dec	.8608	.8609	.8590	.8593	+21
.8665	.7990	Mar	.8526	.8526	.8515	.8514	+21
.8576	.7985	Jun				.8443	+21
.8530	.7985	Sep				.8383	+21
.8395	.8255	Dec				.8325	+21
Est. Sales 2,956		Prev. Sales 3,223					
Prev. Day Open Int. 27,461 up 310							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6483	.5769	Dec	.6442	.6452	.6404	.6410	+39
.6474	.5820	Mar	.6425	.6439	.6393	.6396	+37
.6442	.6233	Jun				.6382	+35
		Sep				.6369	+33
		Dec				.6327	
Est. Sales		Prev. Sales 15,443					
Prev. Day Open Int. 43,433 off 734							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007384	.006280	Dec	.007283	.007325	.007281	.007309	+91
.007376	.006315	Mar	.007275	.007310	.007272	.007297	+90
.007356	.006645	Jun				.007283	+89
Est. Sales 32,078		Prev. Sales 23,057					
Prev. Day Open Int. 69,109 up 1,228							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7965	.6300	Dec	.7787	.7804	.7696	.7715	+11
.7950	.6500	Mar	.7787	.7788	.7690	.7707	+8
.7930	.7065	Jun	.7690	.7690	.7690	.7700	+6
.7820	.6916	Sep				.7687	+4
Est. Sales 31,497		Prev. Sales 25,042					
Prev. Day Open Int. 30,855 up 334							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
203.10	183.60	Nov	186.40	187.40	185.00	186.20	+.70
205.50	186.30	Jan	191.50	192.30	190.80	191.20	+.40
206.10	191.00	Mar	194.60	195.90	193.50	195.20	—.90
206.70	196.50	May	198.30	198.70	197.50	198.60	+.20
Est. Sales 497		Prev. Sales 433					
Prev. Day Open Int. 2,983 up 10							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
82.05	.30	Oct	73.25	73.25	72.50	72.50	—.50
77.00	62.80	Dec	71.77	71.94	71.42	71.58	—.34
77.70	63.82	Mar	72.70	72.70	72.20	72.20	—.73
77.40	64.40	May	73.15	73.20	72.85	73.00	—.40
78.38	65.62	Jul	73.50	73.50	73.15	73.16	—.39
72.85	67.70	Oct	69.10	69.10	69.00	68.85	—.45
69.10	66.40	Dec	67.65	67.70	67.50	67.62	—.06
		Mar				68.48	—.12
Est. Sales 4,080		Prev. Sales 4,667					
Prev. Day Open Int. 35,498 up 219							
HEATING OIL (NYME) 42,000 gal- cents per gal							
107.30	51.15	Nov	103.90	104.10	100.00	100.03	—5.89
108.30	52.37	Dec	103.49	104.50	103.49	103.69	—3.00
107.00	52.95	Jan	101.53	103.20	101.53	101.53	—3.00
102.00	52.60	Feb	97.00	98.40	96.53	96.53	—3.00
96.50	50.70	Mar	92.00	93.45	91.73	91.73	—3.00
92.00	49.20	Apr	88.75	89.10	87.03	87.03	—3.00
88.50	48.40	May	85.75	85.75	84.70	83.68	—3.00
85.75	48.00	Jun	83.00	83.80	81.60	81.43	—3.00
85.00	48.55	Jul	83.00	83.00	80.90	80.43	—3.00
84.85	52.45	Aug	83.25	83.25	82.90	80.93	—3.00
84.28	72.00	Sep	83.00	83.00	83.00	82.13	—3.00
		Oct	83.50	83.50	83.50	82.93	—3.00
		Nov				83.73	—3.00
Est. Sales		Prev. Sales 31,762					
Prev. Day Open Int. 93,193 off 2,589							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
40.10	17.30	Nov	38.50	38.69	35.85	37.09	—2.42
38.50	12.80	Dec	37.31	37.40	37.31	37.31	—1.00
36.95	17.87	Jan	35.80	35.95	35.75	35.75	—1.00
35.60	18.15	Feb	34.50	34.65	34.40	34.40	—1.00
34.40	18.40	Mar	33.25	33.50	33.15	33.15	—1.00
33.10	18.03	Apr	32.20	32.30	32.00	32.00	—1.00
32.12	18.03	May	31.40	31.40	31.00	30.95	—1.00
31.10	16.65	Jun	30.15	30.50	30.00	30.00	—1.00
30.15	17.88	Jul	29.20	29.35	29.20	29.20	—1.00
29.35	18.70	Aug	28.80	28.80	28.75	28.53	—1.00
28.72	19.10	Sep	28.35	28.34	28.05	28.05	—1.00
28.40	19.60	Oct	27.75	28.07	27.75	27.62	—1.00
28.10	19.10	Nov	27.30	27.35	27.30	27.27	—1.00
27.70	19.45	Dec	27.05	27.10	26.98	26.98	—1.00
27.60	20.90	Jan	26.90	26.90	26.71	26.71	—1.00
27.00	21.22	Feb	26.45	26.70	26.45	26.45	—1.00
26.75	22.40	Mar	26.83	26.43	26.20	26.20	—1.00
26.50	24.95	Apr	26.18	26.40	26.10	25.96	—1.00
Est. Sales		Prev. Sales 80,267					
Prev. Day Open Int. 267,432 off 4,357							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
378.90	297.30	Dec	310.00	318.50	308.80	318.25	+11.50
383.20	300.00	Mar	314.00	321.50	312.40	320.85	+11.45
383.35	303.00	Jun				324.00	+11.80
Est. Sales		Prev. Sales 55,453					
Prev. Day Open Int. 152,851 off 68							
VALUE LINE (KCBT) points and cents							
302.10	217.00	Dec	228.50	232.60	228.50	232.30	+5.50
303.80	251.00	Mar				234.50	+6.50
254.35	254.00	Jun				237.50	+5.50
Est. Sales		Prev. Sales 115					
Prev. Day Open Int. 168							
NYSE COMP. INDEX (NYFE) points and cents							
.15	.15	Oct				.02	
		Nov				15.60	
206.50	163.25	Dec	170.00	174.35	169.50	174.10	+5.60
207.80	164.55	Mar	171.45	175.30	171.45	175.60	+5.80
192.25	165.85	Jun	173.00	174.00	173.80	174.50	+2.90
		Sep				178.50	+5.90
Est. Sales		Prev. Sales					
Prev. Day Open Int. 4,486							

Commodity Indexes

	Close	Previous
Moody's	1,077.20 f	1,087.60 f
Reuters	1,766.10	1,782.40
D.J. Futures	129.69	131.21
Com. Research	237.01	239.14

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

British Econ
Shows Weak

Study Sees Inves
Rising in East Ge

BUDGET:

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British Economy Shows Weakness

Compiled by Our Staff From Dispatches

LONDON — A revised 2 percent drop in the volume of British retail sales in August is further confirmation that domestic demand in Britain is very weak, economists said Monday.

However, the Treasury said in a statement that more evidence of a slowdown was needed before a cut in interest rates could be contemplated.

"There is a need to take a whole range of indicators into account in forming a judgment about when interest rates can be safely reduced," it said.

The government had earlier announced that retail sales volumes fell by 2 percent in August from a month earlier instead of the earlier reported fall of 1.6 percent.

In the three months to August retail sales volumes were down 1 percent from the previous three months and only 1.3 percent higher than a year earlier.

"The 1 percent fall in the three-month figures is the weakest number we have seen since 1981," Simon Knapp, economist at Barclays de Zoete Wedd, said.

The retail sales figures take into account only about a third of household spending and do not include money spent on buying cars or on services.

The Central Statistical Office also announced Monday that new credit advanced to consumers by British finance houses, building societies and on bank credit cards was a seasonally adjusted £3.69 billion ($6.93 billion) in August, down from £3.91 billion in July.

These figures confirm a significant slowdown in consumer borrowing since the start of the year.

"Annualized growth in the amount of consumer credit outstanding is now less than 10 percent compared with a rate of growth of 15 percent to 20 percent for most of last year," said Tim Congdon, director of Lombard Street Research.

On the foreign exchange market, the pound edged lower against both the Deutsche mark and the dollar.

Mr. Knapp said retail sales data in the coming months could well be sluggish.

"We probably haven't seen the full impact of the worsening of peoples' perceptions of the economic climate," Mr. Knapp said.

A breakdown of the retail sales data showed that nonfood retailers suffered a 2.2 percent fall in sales volumes in the three months to August compared with the previous three months. This was more severe than the 1 percent fall over the same period recorded for all retailers combined.

"The household goods sector is very weak," Mr. Knapp said.

(Reuters, AFP)

VW Called Lead Bidder For Skoda

Reuters

WOLFSBURG, West Germany —Volkswagen AG is reportedly the front-runner among West European carmakers vying for a cooperation pact with or stake in the Czechoslovak company that makes Skoda cars, but the German automaker declined to comment Monday.

Several Czechoslovak and West German newspapers have reported that VW has become the front-runner in the talks with AZNP Mlada Boleslav, ahead of AB Volvo of Sweden and Renault, the state-controlled French automaker.

A VW spokesman said talks with Skoda were continuing and no comment was possible before the talks were completed. He said he did not know when a decision would be made on the deal.

The Süddeutsche Zeitung reported that VW planned to take 50 percent of a future joint venture with Skoda. VW also planned total investments of more than five billion Deutsche marks ($3.2 billion) in Czechoslovakia, the newspaper said. VW aimed to double Skoda's annual production to around 400,000 units within four years.

To sweeten the bid, VW was exploring possibilities to cooperate with other players in Czechoslovakia's vehicle industry, including BAZ and Tatra, the newspaper said. It said a decision was due in October.

Polly Peck Is Removed From Key Share Index

Reuters

LONDON —London's International Stock Exchange steering committee said Monday it had dropped the troubled Polly Peck International PLC from its key share index.

It said the decision was taken due to the continued suspension of the conglomerate's stock. Polly Peck's shares were suspended at 108 pence on Sept. 20, pending a statement on the events surrounding a sharp drop in its share price.

The stock exchange said Polly Peck would be replaced in the Financial Times 100-share index by the food group Dalgety PLC.

Meanwhile, news reports said Monday that Polly Peck was looking for a financial rescue package from Turkish banks to save it from a liquidity crisis.

The company's chairman and chief executive, the Turkish Cypriot-born businessmen, Asil Nadir, met President Turgut Ozal of Turkey and the Turkish minister for economic affairs, Gunes Taner, in New York at the weekend to discuss his company's plight.

Such a package could take some time to arrange, according to observers in Istanbul.

In the meantime Mr. Nadir, whose empire derives much of its revenue from industry and agriculture in Northern Cyprus and Turkey, will need to rely on remitting nearly £100 million ($187 million) of cash from Northern Cyprus if it is to stay afloat, British news reports said.

The liquidity crisis has occurred because more than £100 million of its credit lines from banks are uncommitted. Banks do not have to renew uncommitted credit lines, and Polly Peck's bankers are reportedly unwilling to do so because of the company's uncertain position in the face of continuing official investigations.

Polly Peck shares were suspended after they lost 55 percent of their value in a few hours.

The slide was provoked by a wave of rumors about Mr. Nadir's business affairs.

Since then the Polly Peck board has been in round-the-clock meetings in an attempt to hammer out a statement on the company's affairs acceptable to the Stock Exchange authorities.

■ Maxwell Restructure

Maxwell Communication Corp. will sell its 27 percent stake in the Quebec-based Donohue Inc. to the Mirror Group, another company controlled by the Maxwell empire, Donohue's chairman, Charles Albert Poissant, said Monday.

A British newspaper had reported that Mr. Maxwell would announce the sale Monday of his stake in Donohue, a forest products company, to a British bank for about $140 million. But Mr. Poissant said: "The shares will be transferred to the Mirror Group."

Airbus Wins $2 Billion Order From U.S. Airline

Compiled by Our Staff From Dispatches

WASHINGTON — America West Airlines announced on Monday that it had signed contracts for the acquisition of up to 118 Airbus A320s, a deal potentially worth more than $2 billion.

The U.S. carrier said in a statement it had arranged for firm orders to be placed for 48 of the fuel-efficient, European-built aircraft, with options on another 44.

Besides America West, parties to the transaction include Airbus Industrie, Guinness Peat Aviation, Kawasaki Enterprises and International Aero Engines.

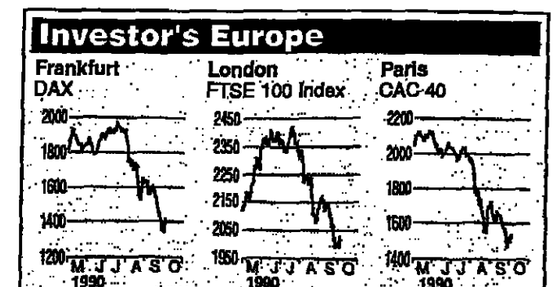
All of the A320s will be equipped with IAE-made V2500 engines, and will seat 148 passengers.

IAE's share of the deal is worth more than $1 billion, Rolls-Royce PLC said. Rolls-Royce and the United Technologies Corp unit Pratt & Whitney each hold 30 percent of IAE.

Last week, sources said that America West planned to finance its $200 million bid for the Pan Am shuttle through loans arranged in return for a promise to buy or lease the Airbus jets.

America West will lease many of the A320s from GPA, an aircraft-leasing firm. *(AFP, Reuters)*

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	94.50	92.40	+2.27
Brussels	Stock Index	5046.67	5007.06	+0.79
Frankfurt	DAX	1420.73	1334.89	+6.43
Frankfurt	FAZ	599.94	569.69	+5.31
Helsinki	UNITAS	426.50	428.80	-0.54
London	Financial Times 30	1565.70	1535.70	+1.95
London	FTSE 100	2030.80	1990.20	+2.04
Madrid	General Index	213.70	209.37	+2.07
Milan	MIB	818.30	810.70	+0.94
Paris	CAC 40	1540.81	1491.76	+3.29
Stockholm	Affarsvarlden	965.63	867.89	+11.26
Vienna	Stock Index	482.88	468.21	+3.13
Zurich	SBS	526.00	512.40	+2.65

Sources: Reuters, AFP International Herald Tribune

Tootal Pretax Profit Declines 17% in Half

Compiled by Our Staff From Dispatches

LONDON — Tootal Group PLC, the British textile and clothing company, said its first-half pretax profit fell 17 percent, partly reflecting lower profits from South Africa.

Tootal also blamed the decline on the divestment of Sandhurst Marketing PLC, which it sold to W.H. Smith Group PLC last year.

Tootal's pretax profit fell to £16.01 million ($29.9 million) in the first six months of the year from £19.25 million a year earlier. Earnings per share fell to 3.62 pence from 4.65 pence. Sales rose 5 percent to £266.8 million.

"In the face of increasingly difficult markets, sales by ongoing businesses at constant exchange rates increased by over 12 percent," Tootal said.

Sales in Asia and continental Europe rose by around 20 percent, the company said, but profit growth in Asia was held back by development and expansion costs. A weakening in North America affected the industrial thread business.

Tootal said weakening trading conditions in Britain had affected its thread business, but branded clothing maintained its profitability and contract clothing improved over the previous half year.

The company is progressively disposing of its holding in Da Gama Textile Co. of South Africa, which contributed a lower profit in the latest half. Tootal's stake now stands at 20 percent.

Tootal left its interim dividend unchanged at 1.9 pence a share. *(Reuters, AFP)*

Study Sees Investment Rising in East Germany

Reuters

MUNICH — Many West German companies plan to invest in East Germany, although most have focused mainly on selling rather than manufacturing there so far, the IFO economic research institute said Monday.

IFO said its latest survey also indicated German industry was more optimistic in July and August about overall business prospects. Many large firms had raised their investment plans, which should lead to a further increase in employment, it said.

The institute said a survey it conducted in July and August showed one quarter of around 300 West German firms polled planned to invest in East Germany, and another quarter had no intention of moving east. The rest had not yet decided.

A total of 3 billion Deutsche marks ($1.91 billion) will be invested in capital goods in East Germany this year, with that figure more than doubling to 7 billion DM in 1991, it said.

Only 3 percent of firms surveyed said they had already started production in East Germany, IFO said, saying this was in line with the traditional pattern of firms gathering sales experience in a new territory before opening production there.

Industry had not revised its short-term forecasts after Iraq's invasion of Kuwait, but uncertainties remained over the Gulf crisis and the East German economy, IFO said.

The firms polled expect sales to grow 6 percent this year after a 10 percent increase in 1989, IFO said. The institute had forecast 5 percent sales growth at the start of the year.

Production was expected to rise by a real 5 percent in 1990, with investment seen up 13 percent, IFO said. Industrial production grew 4 percent last year and investment 9 percent.

The firms polled said they expected sales in 1991 to rise 5 percent, production 4 percent and investment 8 percent. This was above the institute's January forecasts for 4 percent growth in sales in 1991, 2 percent growth in production and a 2 percent rise in investment.

Employment, which rose 2 percent in 1989, was expected to grow 1 percent this year and 0.5 percent in 1991, IFO said. It had forecast a 0.5 percent rise in 1990 employment in January.

BASF Unit To Sell Soviet Gas in Europe

Reuters

MOSCOW — The West German company Wintershall AG has signed a joint venture agreement to sell Soviet natural gas in Western Europe.

Wintershall, a subsidiary of BASF AG, and its new Soviet partner Zarubezhgaz, will supply Soviet natural gas first to East Germany, said Werner Hüller, BASF's chief representative in Moscow. Deliveries can start in the near future and will be expanded to West Germany and other countries, he said.

Under the agreement, signed on Friday, Wintershall and Zarubezhgaz also plan to build new gas pipelines and distribution systems in Western Europe to accommodate their Soviet gas deliveries.

Mr. Hüller said he did not know how much money each partner planned investing in the new venture, or the volume of projected gas sales. Each company will hold a 50 percent stake in the venture.

Peugeot Profit Expected to Rise

Reuters

PARIS — French car maker Peugeot SA is expected to unveil first-half net profit attributable to shareholders of 5 billion francs ($955 million) or more when it announces its results at the Paris car show on Tuesday, analysts said Monday.

Despite these expectations, which compare with last year's 4.55 billion francs, some analysts expect a slower second half that would drag Peugeot's yearly profit below 1989's 10.3 billion francs, the target set by Chairman Jacques Calvet.

Meanwhile, Raymond Levy, the chairman of Renault, the state-owned rival to Peugeot, said at a press lunch that he expected Renault's 1990 group attributable profit to be "much, much lower" than last year's 9.30 billion francs.

Commenting on the Peugeot forecast, Xavier Debeugny, an analyst of the stockbrokerage Paget-Mahé, said that six-month profits should be around 5.1 billion francs. With operating profit expected to remain unchanged, the rise is largely expected to come from lower interest charges, exceptional items and depreciation.

Mr. Debeugny said improving on 1989's first-half results should not be difficult. When Peugeot announced those figures, it was emerging from a long strike and announced provisions which cut back 1989 first half profits from a forecast 6 billion francs.

Christian Duchesne of the stockbrokerage Didier Philippe predicted that Peugeot, after years of heavy debt, would have 6 billion francs cash in hand at the end of 1990. The carmaker had 1.9 billion francs worth of debts in 1989.

Peugeot shares closed at 542 francs on Monday, up 52 francs on the close at Friday.

The shares have been very volatile in recent months, plunging after the group announced in August only a small rise in first half turnover, to 85.73 billion francs from 81.06 billion in 1989's first half.

Mr. Calvet's predictions of a shrinking of the European car market and downgraded profit forecasts by several analysts also hit the share price in September.

By end-June, Peugeot held a 12.9 percent stake in the European market, compared to 13 percent a year earlier. A targeted 14 percent in 1990 seems jeopardized and could soon be downgraded to 13 percent.

Officially, Peugeot is brimming with confidence after investing heavily to raise production capacity to 2.6 million vehicles in 1993 from 2.2 million in 1989.

To Foil Copiers, EC Plans to Tax Blank Tapes

Reuters

BRUSSELS —Consumers in the European Community may soon have to pay more for blank audio and video tapes.

EC Commission officials have concluded that a levy plan, while not ideal, is the best solution to a problem that has been made worse by the introduction of sophisticated recording equipment that is a boon to copiers.

"It's a crude, blunt instrument," an official in the internal market division said of the planned tax. "But nobody has a better idea."

The EC executive's plan to impose a levy, which it expects to propose formally in 1991, has drawn fire from consumer groups and others as it targets the innocent along with the guilty.

"When you buy blank tapes you don't necessarily record things that are protected by author's rights," said Monique Goyens, legal adviser for the European Bureau of Consumers Unions. "We don't think the phonographic industry needs any more money or that we should subsidize them."

Performers, authors and producers have been campaigning for years for some sort of compensation for home copying of their material, which they say deprives them of sales and royalties.

Home copying technically violates copyright laws in some of the 12 EC countries, including Britain, Greece, Ireland and Luxembourg. Others, concluding that such laws are unenforceable, have already imposed levies on recording equipment or blank tapes so that copyright holders can be compensated.

When the EC internal market commissioner, Martin Bangemann, raised the idea with ministers from the 12 EC countries last month, only the British representative strongly objected. He said it would be difficult to run, that it would discriminate against blind people and that U.S. artists who dominate the entertainment industry would be its main beneficiaries.

Mr. Bangemann said it would be a taxation matter and as such would fall under EC rules requiring unanimous approval by governments.

But with digital audio tape recorders, which can make perfect copies of compact discs, ready to burst on to the European market, the music industry is pushing for action.

"The consumer will lose in the long run if producers do not have the money to invest in new talent," said Philippe Kern, legal adviser to the London-based International Federation of the Phonographic Industry.

BUDGET: *Analysts See Little Economic Help Soon*

(Continued from first finance page)

gages, new car loans or personal loans, or for business borrowers.

While even modestly lower rates could give the economy a boost, the proposed increases in gasoline, energy and payroll taxes would mean consumers would have less income left to spend for other things. Similarly, federal spending cuts would reduce another source of jobs and income for some Americans, particularly in the defense area.

The increase in gasoline and fuel taxes, expected to raise about $12 billion a year when they are fully in effect, would add about 0.2 percent to next year's inflation rate. Increases in taxes on airline tickets, cigarettes, liquor and certain luxury items such as cars that cost more than $30,000 also would add to the inflation rate next year.

In the new administration forecast, prices are shown rising 5.2 percent this year and 4.6 percent in 1991, compared with last year's 3.8 percent rate. Mr. Schultze, who was chairman of the Council of Economic Advisers in the Carter administration, stressed Sunday that he believed a budget deal should go through as soon as possible to reduce the drain of U.S. savings, even though it carries with it added short-term risks for the economy.

At a conference in Washington last week, Sidney L. Jones, assistant Treasury Department secretary for economic policy, said that during the 1980s the U.S. personal savings rate plummeted. That decline, he said, was partly responsible for "a significant erosion" of business investment in the United States" despite borrowing $100 billion to $150 billion" abroad each year.

Mr. Schultze, Mr. Jones and many other economists would like to see an increase in business investment in hopes that would improve long-term growth of productivity — how much output is produced for each hour worked. This is the primary source of an increase in living standards. Over the past two decades, Mr. Jones said, productivity has increased less than 1 percent a year.

Other analysts said a budget deal also was needed now because the higher interest rates in Japan, Germany and some other major industrial countries are encouraging foreign investors, who have been helping finance the U.S. federal budget deficit, to put their money in those nations rather than in the United States.

Investors will be focusing this week on the credibility of the budget proposals.

The Fed's top policymaking group, the Federal Open Market Committee, will hold a regularly scheduled meeting Tuesday to set monetary policy for coming weeks. If Congress approves the budget deal, the Fed is expected to bring short-term rates down — unless "the market gives it a real thumbs down," Mr. Kahan said.

Whether because of mounting evidence of a weak economy or news that a budget deal was near fruition, long-term interest rates fell late last week. Yields on 30-year government bonds, which had been as high as 9.17 percent recently, dipped to 8.93 percent Friday.

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IHT

THE GREAT SOCIALIST PEOPLES LIBYAN ARAB JAMAHIRIYA
GENERAL TENDER COMMITTEE

A new thermal power station shall be constructed at Zuara (90 KM. west of Tripoli), which will be named "Melita Power Station"
The competent international contractors who are registered in the G.S.P.A.J. are invited to participate in this tender.

The following are the main features of the project:

A) 1 - Four steam generating units each having the capacity of 200 x 4 MW with the provision to extend by another two units of same capacity. Alternatively 300 x 4 MW capacity complete with all the civil, electrical and mechanical constructions and erection along with the installation of fuel oil tank and natural gas network facilities.

2 - Seawater intake facilities sufficient for the above mentionned units plus additional capacity required for future desalination plant capacity of 80,000 m³ per day.

3 - Two each with 10,000 m³ per day of desalination units.

4 - Housing complex comprising of (102) flats with all facilities.

5 - 220 KV substation SF6 to be connected with the power supply network.

B) 1 - The interested tenderer can purchase the complete set of tender specification from the office of the Electricity Corporation, Halab Street, Tripoli, against the payment receipt of (Five thousand Lybian Dinars) to the Treasury of G.S.P.L.A.J., which is non-refundable.

2 - The tender specification will be available for purchase from 30/10/1990 during official working hours.

3 - The sealed tender will be opened at 12:00 noon on 15/12/90.

4 - With each tender, a guaranteed cheque amounting 300,000 Lybian Dinars is to be attached as performance bond which shall be valid for six months from the opening day of the tender.

Need to reach influential decision makers in the oil industry? Reach them in the International Herald Tribune.

On October 18, 1990, the International Herald Tribune will publish a special advertising section on "The Oil Industry: Fueling the World Economy."

An examination of how key changes in this market since August have already affected the world economy, this section will have bonus distribution at the IHT Oil & Money Conference being held in London on the same day.

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International Tribune
The New York Times and The Washington Post

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 4

FedSignal s Horsco RalsnPur SeaCntLkd pf

NEW LOWS 126

AMD pf Aarlease AlistMP1 n AmBase
AmSvBkNY pf AmscoPtn AlistMP1 n ArcticAlsko
BRE Prpty BallyMfg AsPw 22Sel BankAm odt p
BanwerInd s BoreSty Bk pf BellTelMd Bearing
Benef 2.50pf Bemis1 Ser BroadInc BF Income
CML Gp CNA IncShr CTS Corp CalFedMtg
CapsdeMtg CoreFrght ChaparSt Cimflex od pf
Colonial pf Cwth 2.50pf Chrysler 2.50pf CmtBd 4.46pf
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Cuibro Corr Incom CypressMe pf DavisWatr
Diebold DresserInd s EuropeFd n FstAmBkCo
FstChicago p FlexNEn FtdFinCp Fresn
GATX Cpn Gemini In GtAtlPac Gen&Amer
GtAtlPpc HRE Prps HannaCo Hartmarx
HeclaMng HmstdFinB Island St Intelsic
JamesRvr pf JeffPil Konab pf wi KCPL 22Bpf
KrogerPrps KyseraCp LA Gas LN Hoes
viLTVCp pfA viLTV pfC MountLog MFS Iaco
MFS Sod n MountLog MonarchCap Mestek
MitsuBk MonarchCo MorganSt MorganSt
NatStPr NSP Corp Novsyte wtC Novsyte
Novstr pfG NevaCorp NSPw 44pf NSPw 414pf
Northgate g OgdenCp pf OrionCap pf OrionCa pf
OrtonPfd PioneerEl Premark PrimeRCo n
PrtnDevPr Quintel RobbHatt SPX Corp
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TempInVal Tesoro Pet Texasind TeroCo
TrnsRity n Tradepar n TritonEng pf TucsonEP
USLICO USX Corp UtiHiCo UnisysCo
Unisys pf VF Corp VanDorn WestStMtl
Wash WtrP WestCo vlWsIPlSt Windmere
WolverWW ZenithE

AMEX Highs-Lows

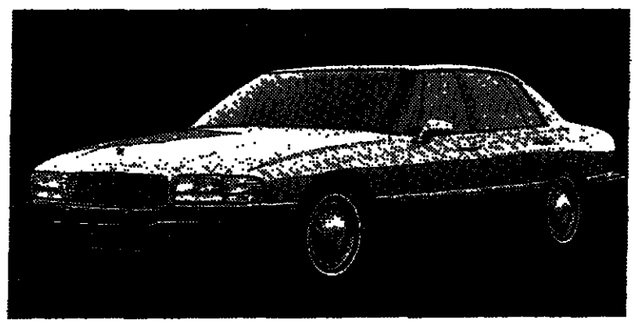
NEW HIGHS 1

AmTr-mo prm

NEW LOWS 77

AOI Coal AT&E Cp AirExpress AmTr-dd wts
AmTr-wmp sc Angeles Angeles un AlfaCM
Balfour Bancroft Fnd Bench El n BioCo
BioRad A Broscan g CitadelHld CommtyNtBc s
CypressFd Enserch FstFedBcp Flrstcorp
FordCap g FrontierCty B FrankInCo GalacHlth g
GlenDtx g HAL Inc IntCity pr RT Corp
ImsiHoltv s IncoDepor IntCity pr Ilitrnk pf
JonesPlumb KaiserEst LincNc LuriaSon
LynchCorp MarkSch MetroTch g n MerchantGp
MetrMblA s MetroRity MinPL pfB MesaHwd
OhioArtCo OneLibyPr OrioleTime A PLM Intl
PeoWstn PierisTobe PenEnMt PennTrst
PitmoryA RJEstSec SantaIsInn RowePurs
Semmrk s SanMonicaBk Slope II SthnCorps
Sealing TelenRnch Tofutti pf SunCity
TSF Corn Wetsco A Westcorp VHTHolt
Vaalex

Luxury has been redefined. The new Buick Park Avenue.



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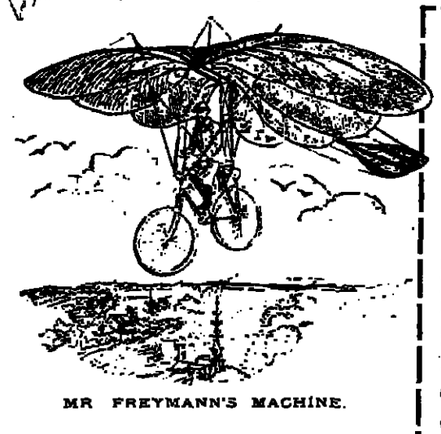

MR FREYMANN'S MACHINE.

Long-time Trib fashion editor, Hebe Dorsey went into the archives of the old Paris Herald (original name of today's Trib) and collected the great news stories of the turn of the century — along with glorious, gossipy tid-bits, records of fabulous galas, stunning fashions, gentlemen's duels and "crazy inventions."

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NASDAQ

Monday's Prices

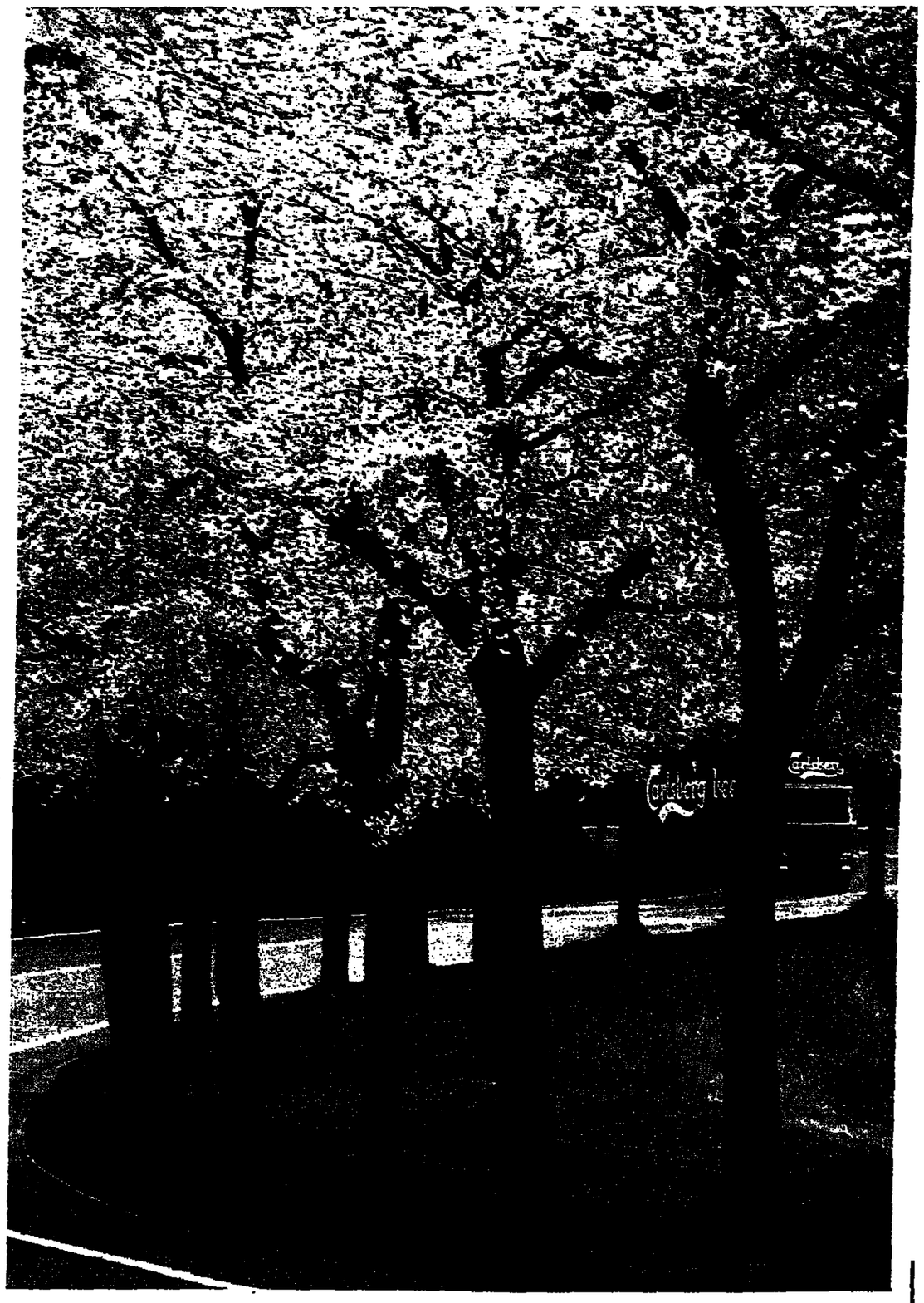
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M. Ch'ge

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
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xw — without warrants.
y — ex-dividend and sales in full.
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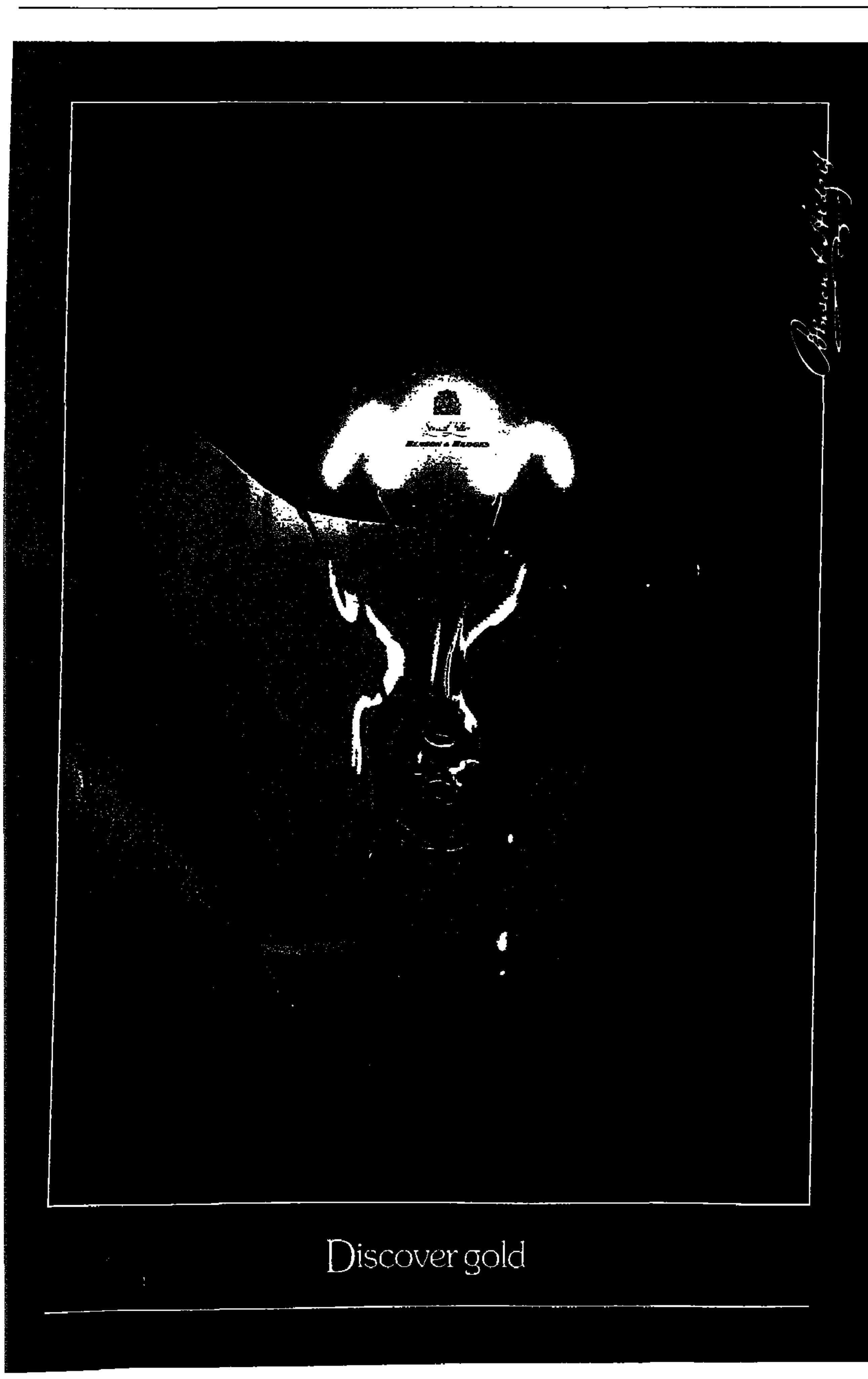

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Japan Acts to Bolster Stocks

Margin Rules Are Eased and Investment Limits Raised

Compiled by Our Staff From Dispatches

TOKYO — Finance Minister Ryutaro Hashimoto announced a package of measures aimed at bolstering stock prices after the Tokyo market plunged more than 3 percent Monday to a 43-month low.

"Japanese economic growth will be at risk if stock prices continue to fall," Mr. Hashimoto said in an address at an economic symposium in Tokyo. "We cannot allow the situation as it is."

He said the ministry would loosen requirements for buying or selling stocks on margin, or credit; raise insurance company stock investment limits, and shorten trading hours for stock index futures and options.

A Finance Ministry official said the ministry also was considering holding more frequent talks with financial institutions and asking institutions to halt panic selling.

Rumors of government support measures helped stocks rally off their lows late in the session Monday, but the Tokyo market still fell for the fifth successive session.

The Nikkei index of 225 stocks plummeted 761.64 points, or 3.6 percent, to 20,221.86, after falling briefly below the 20,000-level for the first time since February 1987.

The close represented a drop of 48.3 percent from the peak of 38,915.00 set last Dec. 29, and 31.5 percent since Iraq invaded Kuwait on Aug. 2.

"Individuals trading on margin accounted for much of the selling today and they were the ones who supported the market after the 1987 crash," said Shigeru Akiba, a broker at UBS Phillips & Drew International Ltd. "That's not a promising sign."

In addition to announcing the support measures, Mr. Hashimoto also suggested that further declines in stock prices could force an easing of Japan's tight credit policy. He said it was important for the Bank of Japan to pay attention to the weak stock market in the management of its monetary policy.

But brokers and analysts greeted his remarks with skepticism.

"Given the uncertainties in the Middle East and the growing economy, I don't think the Bank of Japan is ready to ease monetary policies," said Peter Morgan, senior economist for Barclays de Zoete Wedd Securities (Japan) Ltd.

The Iraqi invasion of Kuwait and the resulting surge in oil prices have added momentum to declines in stocks, which had already been foundering because of increasingly tight credit.

The Bank of Japan, determined to prevent Japan's strong growth from fueling a resurgence of inflation, has raised the discount rate five times over the last 16 months, most recently boosting its key lending rate by 0.75 percentage point to 6 percent on Aug. 30.

Brokers said the kind of measures announced by Mr. Hashimoto have met little success in the past. As long as high interest rates make holding cash more attractive than buying stocks, the market will continue to fall, they added.

"Talk of the Finance Ministry planning to take steps to help the market spurred a partial recovery this afternoon," said Mr. Akiba of UBS Phillips & Drew. "But overall there's really no clear support line for stock prices."

In line with Mr. Hashimoto's announcement, stock exchanges in Tokyo, Nagoya and Osaka said trading in stock-index futures and options would be shortened by 15 minutes in the morning and five minutes in the afternoon.

Trading strategies involving index futures and options have been blamed for exaggerating the stock market's fall. *(Reuters, AFP)*

JVC Signs Record Deal With MCA

Compiled by Our Staff From Dispatches

TOKYO — Victor Co. of Japan, or JVC, and its Victor Musical Industries Inc. unit said Monday they had signed a memorandum of understanding with the MCA Music Entertainment Group of the United States to form a new record company.

The new company, whose shares are to be equally shared between the two Victor firms and the MCA group, will have the exclusive rights to market and promote MCA, Geffen and GRP records of the MCA group in Japan.

JVC is 51.2 percent owned by Matsushita Electric Industrial Co., which has held merger and acquisition talks with MCA.

The new company will sign and train Japanese artists when it goes into business next year.

A JVC official said the company would disclose further details upon reaching final agreement with the U.S. entertainment group.

In the past, Matsushita, which is one of the world's largest makers of consumer electronics, has had a policy of letting Victor handle the software production side of the business. *(Reuters, AFP)*

Firms Try to Shore Up Ailing Bangkok Market

Compiled by Our Staff From Dispatches

BANGKOK — Major finance firms from Japan and Singapore have established funds to shore up the ailing Securities Exchange of Thailand, which has been hard hit by the Gulf crisis, an exchange spokesman said Monday.

The spokesman said the Bank of Thailand had given permission to Japan-based Nomura Securities to set up a fund of $150 million and Singapore-based C.S. First Boston to set up a fund of $75 million.

A Thai firm was also given permission to underwrite another fund of 1.2 billion baht ($47.5 million), dubbed the Suk Anant fund, the spokesman said.

The moves follow the creation of the emergency Ruam Pattana II fund by 35 Thai brokers in late August. The fund was set up to inject money into the market, which plunged after Iraq's invasion of Kuwait on Aug. 2. The spokesman said the Ruam Pattana fund of five billion baht could also be increased if it ran low. He said about three billion baht remain in the fund.

The Thai stock market, touted as one of Asia's emerging stars before Iraq's invasion of Kuwait, has done an about-face, plunging more than 40 percent in the past two months after gaining 30 percent in the previous seven. Since Aug. 2, Thai stocks have lost some 400 billion baht of their market value.

The market has been hit by by soaring oil prices and fears of a global economic slowdown.

The composite SET index tumbled to a 14-month low of 613.95 points on Sept. 25 after hitting its all-time high of 1,143.78 on July 25.

The index has staged a small recovery in recent days, closing at about 654.28 on Monday, but analysts said further declines were likely.

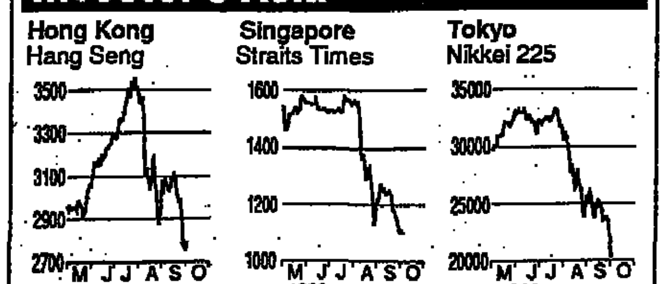
The fall has occurred despite a strong domestic economy.

Government and private economists say that even with soaring oil prices, Thai gross domestic product will expand a real 6 to 7 percent in 1991 after about 9.5 percent this year.

But Tim McKenna, an analyst at Jardine Fleming Thanakom Securities Co., said: "We haven't seen the bottom yet."

He added that "the situation that causes the plunge has not been fixed. So long as the Gulf is still a hotbed, no one is committing new money to the market. The strategy is to wait it out." *(AFP, Reuters)*

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2791.26	2760.82	+1.10
Singapore	Straits Times	1103.44	1098.68	+0.43
Sydney	All Ordinaries	1385.70	1398.70	-0.93
Tokyo	Nikkei 225	20221.86	20983.50	-3.63
Kuala Lumpur	Composite	459.08	459.08	0.00
Bangkok	Book Club	571.16	559.97	+2.00
Seoul	Composite Stock	Closed	597.67	-
Taipei	Weighted Price	2560.47	2705.01	-5.34
Manila	Composite	535.50	546.55	-2.02
Jakarta	Stock Index	Closed	468.51	-
New Zealand	Barclays	1479.22	1469.30	+0.68
Bombay	National Index	Closed	706.08	-

Sources: Reuters, AFP International Herald Tribune

Bell Unit Reports Loss Due to Debt Provisions

Agence France-Presse

MELBOURNE — Weeks Petroleum, a company that is 96 percent-owned by Bell Resources, has reported a provisional net loss of 616.60 million Australian dollars ($509 million) for the year ended June 30.

Company directors said the reported loss was due to significant provisions made against debts due to the company.

Weeks Petroleum's preliminary loss compared with a $234 million profit last year.

In a statement dated Sept. 28 and issued here Monday, Weeks Petroleum said it expected the result to improve after its parent company completed its joint venture purchase of Bond Brewing Holdings.

The assistant secretary of Weeks Petroleum, Bruce MacPherson, said that the stock exchange had refused to allow the firm to extend its reporting deadline from Sept. 30 until Oct. 15, although Bell Resources expected to complete its purchase on Tuesday.

"In the opinion of the directors, the results are likely to improve through reassessment of asset values on completion of the brewing deal," Mr. MacPherson's statement said.

Weeks Petroleum's losses included one-time losses totaling 793.70 million dollars.

Bell Resources, a 58 percent-owned subsidiary of the troubled Bond Corp. Holdings, offered 1.2 billion dollars last year as a deposit for the breweries. more than 795 million dollars of it from Weeks Petroleum.

The statement said that the directors had set aside $415 million against doubtful debts for an unnamed related company, $98 million for doubtful debts for an unnamed former related company and $142 million for bad debts for another unnamed related company.

Firms in Japan to Sell U.S. Credit-Card Debt

Reuters

TOKYO — The Finance Ministry has given nine foreign and two domestic securities houses permission to securitize and sell U.S. credit-card debt to institutional investors here, a Finance Ministry official said on Monday.

The green light marks the first time institutions here will be able to deal in credit-card backed securities, the official said.

Initially, the brokerages will sell securities here that will be backed by credit-card debt owned by Citicorp in the United States, the official said.

The first issue is likely to be sold this month. It will total $1.2 to $1.3 billion and will be divided into smaller units with maturities of three to seven years, a broker said.

The yields on the instruments are likely to be 60 to 70 basis points, or one-hundredths of a percentage point, above that of U.S. Treasury notes with comparable maturities, the broker said.

The ministry's move is a result of U.S.-Japan government level talks in May aimed at deregulating Japan's financial markets, the ministry official said.

Brokers allowed to sell the instruments include Citicorp Scrimgeour Vickers Ltd., Salomon Brothers Asia Ltd., UBS/Phillips & Drew International Ltd., S.G. Warburg Securities Inc., Nomura Securities Co. and Daiwa Securities Co., the Finance Ministry said.

Bangladesh Hit By Gulf Crisis

Agence France-Presse

DHAKA, Bangladesh — Bangladesh's export earnings dropped by 21 percent in August because of the Gulf crisis, industry sources said Monday.

The export figure fell to $129.13 million in August from $162.50 million the previous month, Export Promotion Bureau sources said.

They said factors in the export decline included the suspension of exports to Iraq and occupied Kuwait in line with UN sanctions, increased prices for oil imports and related products, higher insurance premiums, increased shipping and air fares, and depressed world markets.

Taiwan Takes Brakes Off As Slowdown Raises Alarms

Reuters

TAIPEI — Taiwan, which 18 months ago imposed strict credit controls on its overheating economy, is now scrambling to loosen monetary policy amid fears that tight credit is strangling economic growth, economists said Monday.

In the past month, the dramatic turnabout has pumped 120 billion Taiwan dollars ($4.5 billion) into the economy, swamping banks with cash and forcing them to lower the one-month deposit rate to 6.5 percent from 8 percent. The new rate is the lowest since the Central Bank introduced the tight monetary policy on April 1, 1989.

Daily excess reserves last Thursday, before a three-day weekend, jumped to about 104 billion dollars against an average of 50 billion in March 1989.

The prime rate is now 10 percent at state banks, while lending rates had soared to 16 percent.

Bankers and economists say the new policy was aimed at spurring Taiwan's economy, which has slipped into low gear after years of high-speed growth. Government officials forecast gross national product will grow only 5.24 percent for all of 1990, down from 7.33 percent in 1989. But private economists say GNP will grow only between 4.5 and 5 percent this year.

"The 18-month monetary policy has gone too far and strangled business operations," said Liu Ming-jen, economics professor at the National Chengchi University.

Oil Company In Philippines Seeks Funds

Reuters

MANILA — State-owned Philippine National Oil Co. is seeking to borrow dollars from the Central Bank to repay maturing obligations and finance crude oil imports.

In a letter to Central Bank Governor Jose Cuisia, the company president, Manuel Estrella, said that if the oil company was unable to get the funds soon, it might be forced to sell part of its crude oil stocks to raise cash.

PNOC needs $330.9 million for October, $200 million in November and $282.9 million in December.

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SPORTS

The NHL's Wales Conference: Devils, Sabres and What-Ifs

This is the first of two articles on the teams in the National Hockey League, which opens its season Thursday. Next: a look at the Campbell Conference.

By Joe Sexton
New York Times Service

Distrust is required, it was once said, because it is the only defense against betrayal.

Distrust, then, is the only option for loyalists of teams in the Patrick Division of the National Hockey League's Prince of Wales Conference. The betrayals of recent years, double-crosses born of both capricious circumstances and abject failures, have been too numerous to count.

In 1988, the New York Islanders finished first in the regular season only to be bounced in the first round of the playoffs.

In 1989, the Washington Capitals, after finishing first for the first time in franchise history, duplicated the dubious exit in the initial round of the playoffs.

And last spring the New York Rangers, who hadn't won an official title of any sort in 48 years, captured the regular season and then promptly surrendered the Patrick Division final to the Capitals, a team that had never advanced to a conference final.

And already the 1990-91 season has produced its first significant betrayal: Mario Lemieux's back.

Lemieux's back injury, expected to sideline the game's most incandescent performer for three months, has cast a pall over the Patrick Division as well as dazed the entire Pittsburgh organization.

The **New Jersey Devils** appear to be the team most capable of achieving that unrewarding distinction of finishing first in the regular season.

The multinational team with the split personality last year — with players from the Soviet Union, Czechoslovakia, Finland, Sweden and a bunch of guys from New Jersey — should be more comfortable with itself and thus more consistent in its level of play.

Peter Stastny, one of the NHL's more unappreciated stars for the last decade, gives the Devils' power play an offensive artist. And his teaming with John MacLean (83 goals in the last two seasons) and Kirk Muller (25 or more goals the last five years and not one game missed the last three) complements what could be one of the league's premier lines.

Their defense must hit more; perhaps watching recently acquired forward Claude Lemieux crunch and antagonize opponents to distraction will help. Sean Burke must at last seize the reins as the goaltender of the moment.

The **Rangers**, who have spent most of the preseason applauding their own perceived toughness, have one of the NHL's elite defenses with Brian Leetch, James Patrick, David Shaw and Normand Rochefort and one of its brightest goaltending tandems in John Vanbiesbrouck and Mike Richter.

The Rangers possess offensive standouts in Bernie Nicholls, Mike Gartner and John Ogrodnick. They also have a nice mix of overachievers like Kelly Kisio and blossoming talent like Darren Turcotte, whose 32 goals led all rookies last season.

The **Pittsburgh Penguins** went 5-12-4 after Lemieux's injury ended his season in March, a skid that dumped them out of the playoff picture.

Joe Mullen and Bryan Trottier, acquisitions both past their primes, are not beyond providing help. The appointment of the tactically sound Bob Johnson as coach removes the possibility of griping about the lack of a strategic system and thus the crutch the team had relied on to help get the previous two coaches dismissed.

"A tremendous shock and an embarrassment to me and all the players," Paul Holmgren said of the **Philadelphia Flyers'** rare failure to gain the playoffs last season.

The comments could be repeated seven months from now unless things break right for the Flyers. Tim Kerr is recovering from yet one more operation on his shoulder. Murray Craven is an uncertainty as well as he rebuilds his own surgically repaired shoulder. Mark Howe, their veteran defenseman, may have to play every other game because of his bad back. Mike Ricci, drafted last spring, will be the team's top offensive center on opening night.

The **Capitals**, after a brutal offseason that included allegations of sexual misconduct by a handful of players and the staggering free-agent signing of their all-star defenseman, Scott Stevens, by the St. Louis Blues, are reeling and their crash through the season could be unsightly.

Kevin Hatcher, their other dominant defenseman, is holding out in a contract squabble. Coach Terry Murray said his plan was to play the aging Mike Liut in as

Mario Lemieux's back injury, expected to sideline the NHL's most incandescent performer for three months, has cast a pall over the Patrick Division as well as the dazed Pittsburgh Penguins.

AP

many as 60 games in goal, a plan that arguably is a blueprint for calamity.

The **Islanders**, who exploited one sensational stretch of their play and a season full of undistinguished performances from other teams into an abbreviated playoff appearance, do not seem measurably better outfitted for success this season.

Center Pat LaFontaine, pending a resolution of his contract situation, no doubt will be breathtaking again, but an assortment of giftless wings and an unsteady defense bode ill, the fortuitous acquisition of Montreal's Craig Ludwig notwithstanding.

ADAMS DIVISION

"It may be that the race is not always to the swift, nor the battle to the strong," Damon Runyon once conceded. "But that is the way to bet."

The intelligent heart's wager, then, should be on the **Buffalo Sabres** to finish first in the division this season.

The Sabres, after all, have an impressive inventory of talent. And they have in Rick Dudley a coach who, despite a curious collapse of imagination in the opening round of the playoffs last season, is quite capable of deploying that talent.

With Pierre Turgeon and the recently acquired Dale Hawerchuk, so accomplished a craftsman that he has scored more points over the last decade in the NHL than all but four other players, the Sabres possess unmatched depth at center.

Months of therapy have freed Alexander Mogilny to fly without fear, a feat the gifted right wing from the Soviet Union can perform with dazzling ease on the ice.

The Sabres, it has to be noted, are rather less than prohibitive favorites. With the Boston Bruins, the Montreal Canadiens and the Hartford Whalers, the Adams Division last season boasted four of the NHL's 10 top teams.

The Bruins, the best of the bunch, were also the elite team in the regular season, compiling the top record at 46-25-9 with a marvelous balance of skills. They finished second in penalty killing, second on the power play and, as the NHL's smartest, most disciplined team, also were penalized less than all except but one other squad.

The components of such completeness as a team are all returning: Ray Bourque, the sport's unparalleled defenseman; Cam Neely, its quintessential power forward; Craig Janney, its playmaking precisionist, and Andy Moog, its quiet, sublimely equipped goaltender.

Whether Montreal cheers the revolution that took place with the **Canadiens** over the summer remains to be seen.

After seasons of employing an effective, but often numbingly dolorous defensive brand of play, the addition of Denis Savard, who has scored 1,013 career points, and the subtraction of defensemen Chris Chelios and Craig Ludwig is likely to leave the Forum thrilled one night and humiliated the next.

Stephane Richer, Shayne Corson and Russ Courtnall will score goals. But beyond, or rather in front of, Patrick Roy the Vezina Trophy winner, there are many candidates for stopping them.

The **Whalers**, who last season became the third team in NHL history to finish with a record better than .500 on the road and one worse than that at home, finished 19th in offense and will have to improve.

They have a deep and dangerous right side with Kevin Dineen, Pat Verbeek and Scott Young. Their goaltending, anchored by Peter Sidorkiewicz, is good but not great, and thus their chances of a finish better than fourth are about the same.

Their chances of a worse finish, though, are microscopic because Quebec's rebuilding program is in its infant stage. Stocked with one bona fide transcendent talent — Joe Sakic scored 102 points last season on a team that won just a dozen games — and a platoon of players seasons away from impact, the Nordiques are outfitted to do nothing but position themselves for the top selection in next year's draft.

Maxim of the Maxis: No Price Too High for Experience

By Barbara Lloyd
New York Times Service

NEWPORT, Rhode Island — It was a shocking sight, even for those hardened against the countless mishaps that can befall a racing yacht. Longobarda, an 80-footer (24.38 meter) competing in the 1990 maxi-yacht world championship, had toppled her mast on a breezy day off Newport.

Looking like the victim of a hurricane, Longobarda limped back to shore with half a mast and rumpled sailcloth spilling from her topsides. But there were no serious injuries, despite the wreckage, and the boat was ready to go sailing again the next day in a regatta in which the stakes — to win at all costs — were too high to let broken gear stand in the way.

The maxi championship for boats of about 80 feet was scheduled back-to-back with the 50-Foot World Cup, to begin Thursday in Newport. The two events, neither of which offer prize money or allow sponsorship, are organized by yachtsmen who own the million-dollar boats and race them as a hobby. For the sailors who work as crew, the yachts provide a level of round-the-buoy competition found in few other venues except the America's Cup.

Six yachts competed in the maxi-yacht series: three from Italy, including Longobarda; two from the United States, and one from France. Eleven 50-footers are expected for the World Cup event: seven from the United States, two from Japan and one each from West Germany and Sweden.

John Bertrand of San Diego, the helmsman of Longobarda, is competing for two reasons: to add to his own experience, and to look for sailors to crew on the new yacht he will skipper for the Beach Boys USA syndicate in the next America's Cup match.

"These programs are development programs," he said last week. "After the 1987 America's Cup, in which a large number of sailors were involved, the level of skill was quite high. A lot of those sailors have gravitated to the maxis and the 50s. That's why I'm looking for sailors from that group. We don't have a lot of time."

As with other America's Cup defense teams hamstrung by tedious court proceedings, Bertrand is trying to catch up to cup challengers who got a head start.

The cup challengers also have seen the wisdom of the Newport championships. Paul Cayard, skipper for Italy's America's Cup challenger, sailed in the maxi regatta as skipper of Passage to Venice. The 80-foot sloop was leading the fleet by a half-point going into the last race on Saturday. But the U.S. boat Matador 2 won the final match, and with it the seven-race series.

It was close racing with Passage that precipitated a fatal jibe in which Longobarda was dismasted. The two were within three miles of the finish in a 55-mile race from Newport to Block Island and back.

The racing experience with other nationalities became even more crucial with the recent cancellation of the European championship, Nov. 10-17, for newly built America's Cup yachts. The Italian team, which has launched two cup boats, withdrew from the European event, charging that the decision by the French to sell their new cup boat to the Beach Boys was undermining challengers' efforts to win the America's Cup.

The European regatta was expected to attract a Spanish yacht, which reportedly was not ready to race anyway, and F1, the French-built boat.

The 50-foot championship will decide the season's overall winner after a six-race series that began last autumn in Japan. Container, a yacht owned by Udo Schutz of West Germany, leads with 12.50 points.

SIDELINES

China Wins 13 Golds, Kuwait Loses

BEIJING (AP) — China marked its National Day by setting Asian Games records Monday in the shot put and discus and winning another 13 gold medals for a total of 139 to runner-up Japan's 33.

Japan won three judo golds and one in track, while South Korea took one each in weightlifting and table tennis. Japan's Hideyuki Sekine won the prestigious men's open class judo title.

South Korea ended medal prospects for the soccer team from embattled Kuwait, defeating the hastily formed squad, 1-0, in the quarterfinals.

Mansell to Rejoin Williams Team

LONDON (AP) — Formula One veteran Nigel Mansell, 36, agreed Monday to return to the Williams team next season, 11 weeks after announcing that he would retire at the end of this year. He drove for Williams until he moved to Ferrari at the beginning of the 1989 season.

Williams's team boss, Frank Williams, said Mansell will replace Thierry Boutsen for the 1991 season and team with Riccardo Patrese.

Mansell won last month's race in Portugal and with second place in Sunday's Spanish Grand Prix moved into fourth place in the drivers' standings. He won 13 races in four seasons with Williams.

U.S. Racer Dies in Highway Crash

MOORESVILLE, North Carolina (AP) — Stock car driver Robert James Moroso, 22, was killed in an automobile crash early Monday, just hours after finishing 21st in a NASCAR Winston Cup race. He was a leading candidate for the Winston Cup rookie of the year award.

"He was going west on N.C. 150, started into a curve, lost control and slid sideways," said a state policeman, Roger Smith. An eastbound car struck Moroso's car at the driver's door, killing both drivers.

Moroso had driven an Oldsmobile in Sunday's Holly Farms 400 in North Wilkesboro, North Carolina. He was driving an Olds Cutlass when he lost control at high speed just after midnight.

For the Record

Wimbledon has agreed to a four-year contract with the BBC to televise the Grand Slam tennis tournament. *(AFP)*

Des Fox, one of Ireland's best-known race course bookies, was shot in the legs and bled to death Sunday en route to the Curragh track. Police said $70,000 had been taken and that the killers escaped in two cars. *(AFP)*

University of Illinois officials, after a second appearance before the NCAA Committee on Infractions, said Sunday they expected word in about three weeks on whether the school will be penalized for basketball recruiting violations. *(UPI)*

Pat Dye, Auburn University's football coach, was hospitalized late Sunday after experiencing stomach problems and was listed in satisfactory and stable condition Monday. *(AP)*

Keith Millard, the Minnesota Vikings' tackle who was the 1989 NFL defensive player of the year, probably will be lost for the season after suffering major damage to his right knee in Sunday's game against Tampa Bay, the Minneapolis Star Tribune reported Monday. *(AP)*

Kenny Knox, born and raised in Columbus, Georgia, site of the Southern Open, sank a 15-foot (4.5-meter) birdie putt on the second playoff hole Sunday to beat Jim Hallet and win the PGA tournament. *(AP)*

Romania defeated the Netherlands, 45-7, in a rugby World Cup preliminary round match Sunday in Treviso, Italy. *(AFP)*

One soccer player was killed and six were injured when lightning struck the field during a match Sunday between two amateur teams at Villiers-sur-Orge near Paris, police reported. (Reuters)

Correction

Because of an error, the wrong names and scores appeared Monday as the top finishers in the Grand Prix of Europe golf tournament in Chepstow, Wales. The correct list appears in *Scoreboard* today.

Quotable

Dennis Rappaport, a boxing manager, told Newsday of his relationship with the middleweight Thomas Hearns, who is without a manager: "I don't want to tell you any half-truths unless they're completely accurate."

CHESS

By Robert Byrne

SERGEI Smagin of the Soviet Union was awarded the Super-Torero Prize for his game against Dragutin Sagovic of Yugoslavia during the Sport Mesterturnier Open in Biel, Switzerland, in early August.

Actually, Smagin got a bishop, a knight and two pawns for his queen, and this amounts, theoretically, to a full material equivalence. But the reason this transaction is so rarely seen is that under most conditions, the two minor pieces don't match the enemy queen's mobility and are driven off in disorganized flight. What Smagin ingeniously foresaw was that in the specific situation of this game, the lesser pieces utterly dominated the subsequent play.

Against the infrequently played Nimzonich Defense that arises after 2...d5, it has been considered that 3 e5 is premature because 3...Bf5 4 c3 e6 produces a position similar to a French Defense with the additional benefit for Black that his queen bishop is not encumbered by its own center pawns. The same argument has been urged against the Caro-Kann variation that goes 1 e4 c6 2 d4 d5 3 e5 Bf5. But the present game and a sprinkling of others have lately given reason to doubt that 3...Bf5 is an unmixed blessing. Especially in the Nimzovich Defense, where the c6 knight blocks the black c pawn, Black feels the lack of a counterattack with...c5.

The alternative counterplay against the white center with 5...f6 does not exert sufficient pressure after 6 f4. Thus, after 6...fe 7 fe Nh6 8 Ndf3 Nf7, the black position was already passive.

On 11 Bd3 Sahovic could possibly have played 11...O-O and after 12 Qc2, not 12...g6? 13 Bg6! but 12...h6. Still, after 13 O-O, he would have to watch out for the forced exchange of his g4 bishop by 14 h3 Bf3 15 Rf3 followed by Qe2, Bc2 and Qd3.

His alternative was to anticipate that kind of trouble by 11...Ng5 in the hope of scoring useful simplification. Instead, he walked into Smagin's nice queen sacrifice with 12 Ng5! Bd1 13 Ne6.

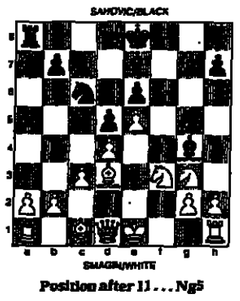
The first point was that 13...Qd7 would be met by 14 Bf5!, when there would be no defense against the coming 15 Ng7 recovering the queen with a two-pawn advantage. Thus, Sahovic had to hide his queen with 13...Qb8.

On 14 Ng7!, he might have tried 14...Kf7, but 15 N7f5! Ba4 (15...Bg4 16 Nh6) 16 O-O! Nd8 17 Nh5 Ke8 18 b3 Bc6 19 Nfg7 Kd7 20 Bf5 Ne6 21 Ne6 leaves Black tied in a knot.

Accordingly, he headed his king toward the queenside with 14...Kd8 and opened the b7 square as a refuge with 15...b5, but the white minor pieces kept crowding in with 16 Ne6 Kc8 17 Nf5 Bf8 18 Rf1.

On 19 Bh6! the gruesome threat was 20 Bf8 Rf8 21 nc5 kc8 22 Ne7! Kd8 (or 22...Ne7 23 Rf8 mate) 23 Nc6 Ke8 24 Rf8 Kf8 25 Nd7, winning a bushel basket of material.

SAHOVIC/BLACK



SMAGIN/WHITE

Position after 11 . . . Ng5

Sahovic could not make a stand with 19...Be7 because 20 Ne7 Ne7 21 Nc5 kc8 (21...kb6 drops the queen to 22 Nd7, while 22 kd8 allows 23 Rf6 mate) 22 Bg5 Ke8 23 Rf7 Re8 24 Kc2 Qb6 25 Raf1 c6 26 Re7 Re7 27 Rf7 wins easily.

So, the Yugoslav captured with 19...Bh6, but after 20 Nc5 kc8 21 Nh6 ne7 22 Be2 Ng6, Smagin wove a net around the king with 23 Nf7. The h8 rook could not be saved because 23...Rg8 permits 24 Bg4 mate. Sahovic gave up.

NIMZOVICH DEFENSE

White Smagin	Black Sahovic		White Smagin	Black Sahovic
1 e4	Nc6		13 Ne6	Qb8
2 d4	d5		14 Ng7	Kd8
3 e5	Bf5		15 Kd1	b5
4 c3	e6		16 Ne6	Kc8
5 Nf3	c5		17 Nf5	Bf8
6 a4	Nc		18 Rf1	Kb7
7 fe	Nfe		19 Bh6	Bh6
8 Nd3	Nf7		20 Nc5	Kc8
9 Nd1	Be7		21 Nh6	Ne7
10 Ng3	Bg4		22 Be2	Ng6
11 Be2	Bd1		23 Nf7	Resigns
12 Ng5	Bf3			

BOOKS

THE HONG KONG FOREIGN CORRESPONDENTS CLUB

By Anthony Spaeth. 293 pages. £13.95. Secker & Warburg, Michelin House, 81 Fulham Road, London SW3 6RB

Reviewed by Patrick L. Smith

THE unfortunate title of this inventive work makes it sound like a tired and entirely uncalled-for treatment of that haunt of dried-up hacks, Hong Kong's "F.C.C.," as it is locally known. This first novel is peopled with its share of those. But like its namesake, there is more to this fine book than that.

Anthony Spaeth has taken a simple but imaginative premise and run a mile with it. "The Hong Kong Foreign Correspondents Club" turns on a professional hoax perpetrated on a major New York newspaper by a loose-cannon free-lancer, a "strolling player," as the breed is sometimes known, and on how and why the hoax is compounded once a head-office honcho arrives, investigates and likes what he has found.

Anton Vavasour, a fat, sweaty pederast who could easily have stepped out of a Graham Greene novel, has sold a sensational scoop — the first post-1975 sighting of Pol Pot in a Cambodian guerilla camp — to a powerful daily called the New York Tribune. The problem is simple: It never happened, which is discovered only after the Tribune splashes Vavasour's piece in its Sunday magazine.

Enter Ted Augenstein, old Southeast Asia hand, regretful repatriate, news conference warrior and all-around lightweight. Augenstein finds Vavasour holed up in the Malaysian jungle — a clear descendant of Conrad's Kurtz — and then the complications begin. Little by little, Augenstein is drawn into Vavasour's plot until it becomes his own, and in the end he concludes, "I was the fooler, not the fooled."

This can be read as thought-provoking stuff by both journalists and their readers. What complex set of assumptions is activated when that daily interaction between the teller and consumer of printed "truth" begins each morning over the latter's toast and coffee?

But don't get too bogged down in all that. The power and pleasure of this novel lies largely in its telling, which Spaeth does through Alice Giles, a past-her-peak F.C.C. habitué endowed with superb powers of observation and a mind that wanders and wonders with unusual candor and freedom.

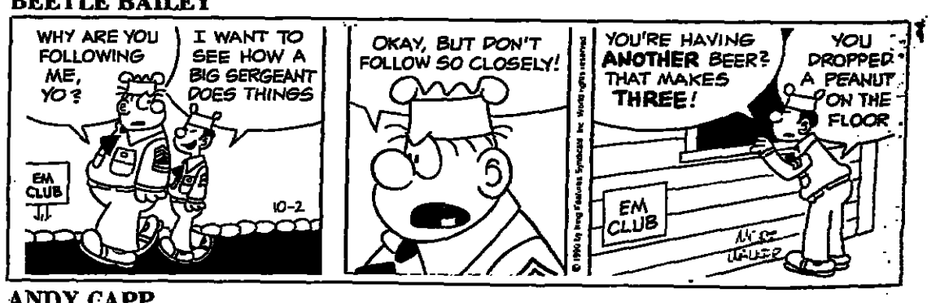
Spaeth, a decade in Asia with The Wall Street Journal and now the paper's New Delhi bureau chief, moves from Hong Kong to Tokyo to Malaysian plantation country to New York newsrooms with extraordinary grace. More important, he has gone to Japanese classics such as "The Pillow Book of Sei Shonagon" to find the loose structure his own imagination requires.

The result is part narrative, part diary, part irreverent asides, lists and stray comment combined in a thoroughly enjoyable, humorous, sad and well-crafted book.

Patrick L. Smith is on the staff of the International Herald Tribune.

PEANUTS

BEETLE BAILEY



ANDY CAPP

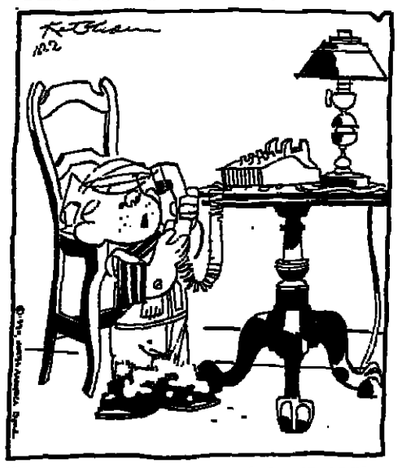
WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY

DENNIS THE MENACE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ERRAM

DYADD

TEXMEP

MEENAC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○

(Answers tomorrow)

Yesterday's Jumbles: WHILE SWOOP KERNEL SIPHON
Answer: When the dentist does work on your teeth, it often provides - - - WORK FOR HIS OWN

SPORTS

It's Still High Noon for Red Sox and Blue Jays, as a New Day Dawns for the Pirates

Boston Holds the Edge in AL East's Final Days

By Claire Smith
New York Times Service

BOSTON — The Toronto Blue Jays, finally breaking through against Boston's weak underbelly, an *exhausted bullpen, pounded out 14* hits and scored a half-dozen runs against Red Sox relievers to salvage one game of a three-game series.

But even after the muscle flexing in a 10-5 romp at *Fenway Park, the Blue Jays left Boston* on Sunday night knowing it was the Red Sox who had taken advantage of the meeting to gain the upper ground in the American League East.

By winning two of the three games, Boston seized a one-game lead, and the Red Sox have time on their side, what with only three games left on each team's schedule.

"We're leading now," said Greg Harris, Boston's starting pitcher Sunday. "It's definitely in our ball park to win, now. We're ahead with Chicago coming here. A victory tomorrow would put pressure on everybody else."

All the Red Sox need to clinch a tie for the division title is to beat the Chicago White Sox once in the three-game series that begins Monday and for the Blue Jays to lose any of the three games they will be playing in Baltimore.

As the two teams went their separate ways, the wish lists were obvious.

"Tomorrow's game is big," said Tom Brunansky, the Red Sox right fielder. "Chicago's a young, talented club. They don't have many weaknesses, so I'd rather be at home then in Comiskey, that's for sure. And Toronto plays better on the road, so we're not going to guess that we're going to get help in Baltimore."

And the Blue Jays' outlook?

"Well, any team in this division can beat any other team," said Cito Gaston, the Blue Jays' manager. "Hopefully, this gives us good momentum. And the White Sox have played great baseball this year. Hopefully, they can come in here and win a couple of games."

The White Sox, the team with the second-best record in the majors, have not won a one of their four games in four attempts in Fenway *this season. And as Boston third baseman Wade* Boggs optimistically pointed out, "Fenway's a better place to hit than Comiskey. We're more comfortable here."

Perhaps not on the mound. Sunday, Toronto scored *on three of Boston's four relief pitchers.*

Asked if, in retrospect, the six shutout innings contributed by *Roger Clemens* in a start on Saturday were more important considering Sunday's trouble, Joe Morgan, Boston's manager, said, "Undoubtedly. But we should be all right tomorrow. Jeff Reardon can pitch."

Chris Park/The Associated Press

First baseman Dave Magadan was bowed after the New York Mets were beaten out.

Pittsburgh's Players Share Tears and a Crown at the End a Long Dry Spell

By Joe Lapointe
New York Times Service

ST. LOUIS — The scene was as warm and as genuine as the gentle September sunshine that had flooded the field all afternoon.

As soon as Jose Lind fielded the ground ball and threw to Sid Bream at first base for the final out, the Pittsburgh Pirates rushed across the infield at Busch Stadium to celebrate the *clinching of the National League East pennant.*

More than 40,000 St. Louis fans had attended, and not just to see their team clinch last place for the first time since 1918.

As the Pirates, some with tears in their eyes, hugged and snake-danced back toward the dugout, the customers stood and cheered them.

Some of the Pirates took notice. A few waved back and *others threw their caps* to the spectators as souvenirs.

"That was pretty nice," said Bobby Bonilla, the Pirate slugger, who wiped tears from his eyes. "This is a good baseball town."

And the Pirates are a good baseball team. The victory Sunday, a 2-0 shutout for Doug Drabek, was their seventh straight.

They have won 10 of their last 11 and have outlasted the second-place New York Mets. The Pirates won six divisional titles in the 1970s, but none in the 1980s.

Last season, they finished 19 games out of first place. Thursday, they will open the playoffs against the Cincinnati Reds, champions of the National League West.

"No one believed in us," said Andy Van Slyke, the center fielder. "Even in the middle of this month, they said we were gagging, that we were choking, that we were not up to the test and to the pressure."

Van Slyke and several other Pirates noted the Mets always seemed to get more publicity than the Pirates, who had been in first place or tied for first for all but 28 days of the season. Van Slyke was happy that the Mets-Cubs game was still in progress at Shea Stadium when the Pirates finished their clinching victory.

"The final nail in the coffin," Van Slyke said, "was when they flashed it on the scoreboard at Shea Stadium. A lot of people went home unhappy on the subway."

The locker room celebration was somewhat subdued, partly because of baseball's new policy against rowdy displays of champagne drinking and squirting. The players adjourned to a room that was off-limits to the media, and from there came whoops and whistles and howls of delight.

Shortly after the private celebration began, Barry Bonds hurried *to the back room,* shouting in mock anger, "They're having a celebration without me?" A few moments later, chants of "MVP! MVP!" could be heard. With a batting average of .303 and 33 home runs and 114 runs batted in, Bonds is a prime candidate.

Van Slyke, never lacking for opinions, said he doesn't approve of the anti-champagne policy.

"I think champagne is as much a tradition as the national anthem, the seventh-inning stretch and hot dogs," he said. "If I become commissioner, I will change the policy."

He was dry-eyed, but many of his teammates were not. Shortstop Jay Bell tried to explain.

"Emotionally, you're at an all-time high," he said, "and the tears of joy just start flowing."

R.J. Reynolds, a backup outfielder, said, "I just laugh for five minutes and cry for five *minutes.* I've got it down to a routine."

Moments later, he was seen walking around the infield in the vacant stadium, his uniform shirt half-open *as he talked to friends in a loud* voice on a portable telephone.

In a Pinch, It's Jackson For Royals

Compiled by Our Staff From Dispatches

Bo Jackson led off the ninth inning with a pinch-hit home run as the *Kansas City Royals* beat the Angels, 2-1, in Anaheim, California.

Jackson, batting for Frank White on Sunday, hit his 28th homer of the season, connecting on a 3-1 pitch from Scott Lewis. Lewis, making his second major league start, pitched a three-hitter.

BASEBALL ROUNDUP

George Brett maintained his lead in the chase for the American *League batting title, but he went* zero for three and dropped from a .330 average to .328. Rickey Henderson of Oakland did not play Sunday and is at .326, and Rafael Palmeiro of Texas went zero for four to drop from .322 to .320.

White Sox 2, Mariners 1: The *Chicago White Sox closed* Comiskey Park in style, beating Seattle and ending 80 years at the oldest park in baseball.

A capacity crowd of 42,849 saw the White Sox win in the stadium that opened July 1, *1910,* when Chicago lost to the St. Louis Browns, 2-0. In between, Shoeless Joe Jackson and the Black Sox scandal of 1919, the first All-Star game, the Go-Go Sox of 1959 and Bill Veeck and his exploding scoreboard flavored Comiskey and made it one of baseball's most beloved parks.

Next year, the White Sox move across the street into a gleaming new stadium, also named Comiskey Park.

Chicago's Bobby Thigpen extended *his major league record* with his 57th save.

Tigers 1, Twins 0: Walt Terrell pitched a five-hitter for 8⅓ innings as the Tigers won in Detroit.

Cecil Fielder of Detroit singled in four at-bats, leaving him at 49 home runs as he tries to become the first AL player in 29 years to hit 50 homers in a season. The Tigers have three games left at Yankee Stadium.

Athletics 4, Rangers 3: Pinch hitters Terry Steinbach, Willie Randolph and Jose Canseco each drove in runs in the eighth as Oakland closed out September 20-8 with the victory in Arlington, Texas.

Yankees 7, Brewers 2: Don Mattingly and Jesse Barfield each drove *in three runs as* New York won in Milwaukee.

Orioles 6, Indians 3; Indians 7, Orioles 3: Candy Maldonado drove in three runs with three hits in Cleveland as the Indians won the second game of the doubleheader.

Baltimore won the first game as Bob Milacki, making his first start since July 30, allowed two hits in seven shutout innings. Cal Ripken backed him with his 21st home run.

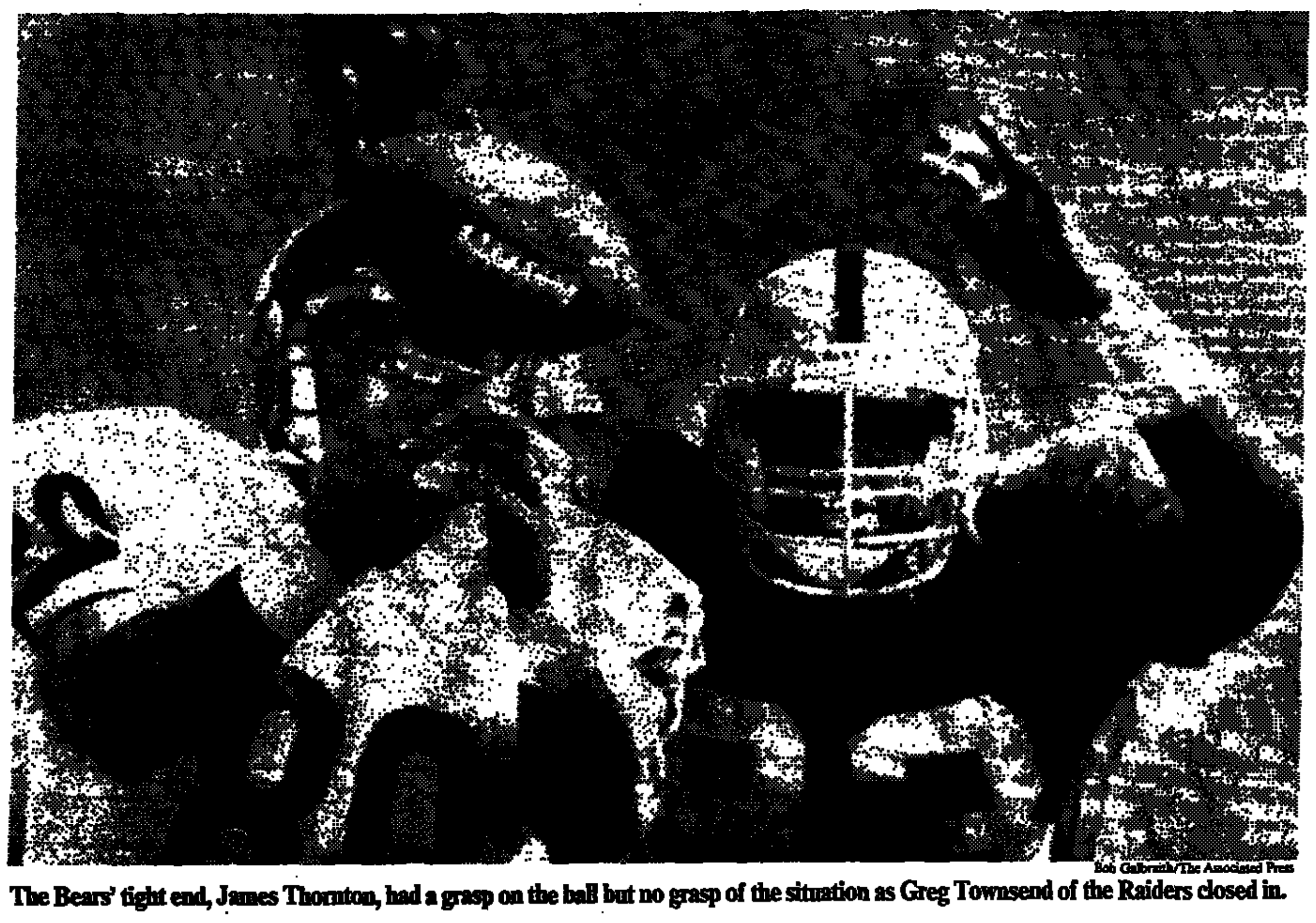
Cubs 6, Mets 5: The Mets' quest for the National League East title ended even before Chicago rallied for two runs *in the ninth in Shea* Stadium. Pittsburgh clinched the division by beating the Cardinals while the Mets were in the ninth inning. Chicago then scored on Derrick May's RBI single and shortstop Howard Johnson's error.

Padres 3, Reds 0: Joe Carter and Jerald Clark singled in runs to lift San Diego in Cincinnati. The Reds clinched the NL West title Saturday.

Astros 6, Braves 2: Houston got four runs in the second on Mark Davidson's RBI single, Mark Portugal's run-scoring groundout and Casey Candaele's two-run single to complete a nine-game home sweep of the Braves.

Phillies 2, Expos 1: Terry Mulholland pitched a five-hitter in Montreal and Wes Chamberlain hit a go-ahead single in the sixth.

Giants 8, Dodgers 2: Brett Butler and Robby Thompson each had three hits and scored three runs as San Francisco, at home, tied the Dodgers for second place in the NL West. *(AP, UPI)*



Bob Galbraith/The Associated Press

The Bears' tight end, James Thornton, had a grasp on the ball but no grasp of the situation as Greg Townsend of the Raiders closed in.

Does Bo Know Defense? Raiders Do, Rout Bears

The Associated Press

The Los Angeles Raiders have put an exclamation point on their return from mediocrity, running their record to 4-0 for the first time since 1984 with a 24-10 defeat of the previously unbeaten Chicago Bears.

And Bo Jackson hasn't even arrived yet.

While Jackson wraps up the baseball season with the Kansas City Royals, the catalyst has been a defense that produced six sacks for minus-66 yards and Sunday scored the key touchdown. Greg Townsend picked up a ball pried loose by Aaron Wallace from Chicago quarterback *Jim Harbaugh and* rolled a yard into the end zone.

"These guys are willing to work until they don't have a breath in their body," Art Shell, coach of the Raiders, said of the team's defense.

Willie Gault, who came from the Bears three years ago, caught four passes for 103 yards, a 59-yarder setting up the first of two touchdown runs by Marcus Allen. The second run, a three-yarder with 9:11 left, sent many of the 80,156 fans to the exits.

Chicago gained 229 yards, 80 on a touchdown pass from Harbaugh to Dennis Gentry 18 seconds after *Allen's one-yard run had given the* Raiders a 7-0 first-period lead.

"We played poorly in all aspects of the game," *said Mike Ditka, the* coach of the Bears.

The Bears played poorest on the Townsend-Wallace play, one of six sacks by Los Angeles. It came with the Raiders leading by 10-7 midway through the second period.

On third and seven from his 23, Harbaugh was chased from the pocket and scrambled back toward *his goal line.* Wallace, a rookie linebacker, hit him and knocked the ball loose and Townsend picked it up on the one and scored.

"The fumble should have been called 'in the grasp,' the way they were calling them all day," said Harbaugh, referring to the NFL rule that if a quarterback is in the grasp of a defender, the play is over. Harbaugh was called down on one play before he scrambled for 15 yards.

NFL ROUNDUP

Police arrested 34 people attending the game and ejected 88. The get-tough policy was begun after the beating the Sunday before of Paul Albrecht, 35, who was punched and kicked after exchanging insults with a group of Raiders fans. Albrecht *remains in serious condition* in a Los Angeles hospital.

Chiefs 34, Browns 0: The Chiefs got two touchdown passes from Steve DeBerg and blocked two punts for touchdowns in Kansas City, dropping Cleveland to 1-3 for the first time since 1984.

In the third quarter, Albert Lewis blocked his third punt in as many weeks, Kevin Ross picked up the ball at the four and went in for a 34-0 lead.

Oilers 17, Chargers 7: Warren *Moon threw for 355 yards and two* touchdowns, completing 27 of 46 passes for the Oilers in San Diego. Moon's scoring passes were 22 yards to Ernest Givins and a nine-yarder to Drew Hill.

Coach Dan Henning of the Chargers had warned kicker Fuad Reveiz that he had to perform better, but Reveiz missed two field goals and has made only two of seven this season.

Redskins 38, Cardinals 10: Quar*terback Stan Humphries,* making his first NFL start, passed for 257 yards, throwing two 42-yard touchdown passes to Gary Clark in the second half, as Washington spoiled Phoenix's home opener.

Humphries, starting because Mark Rypien has an injured knee, completed 20 of 25 passes as the Redskins defeated the Cardinals for the second time this season. Humphries also scored his first NFL touchdown on a one-yard sneak in the fourth quarter.

Jets 37, Patriots 13: Brad Baxter ran for two touchdowns and Rob Moore caught nine passes for 175 *yards, scoring on a 69-yarder, for the* Jets in Foxboro, Massachusetts.

The Patriots allowed their oppo*nent to score on four of their first five* possessions for the second consecutive game.

Colts 24, Eagles 23: Jack Trudean, starting at quarterback for Indianapolis because Jeff George is injured, completed seven passes in a 14-play, 83-yard drive that ended with a six-yard touchdown throw to Bill Brooks on the final play of the upset in Philadelphia.

Brooks caught eight passes for 94 yards, including throws for 27 and 11 yards on the final drive before *the catch that made it 23-23.* Dean Biasucci kicked the extra point.

Packers 24, Lions 21: Don Majkowski rallied Green Bay for two fourth-quarter touchdowns, one a 26-yard pass to Jeff Query with 55 seconds to go in Pontiac, Michigan.

After that touchdown, Detroit's Eddie Murray missed for the fourth time with a field goal kick, a 44-yarder with three seconds left.

Kiam Promises Patriots Changes

New York Times Service

NEW YORK — The owner of the New England Patriots has promised "mammoth changes" for team management following a reporter's allegations that she was subjected to sexual harassment by several naked players in the locker room.

Victor Kiam, appearing on National Football League pregame programs on NBC and CBS, said, "The fact that no action was taken from Monday until Thursday is a disgrace and the fact that I was not even told by my own people is worse than that." The incident reportedly took place Sept. 17, a Monday.

Asked about Patrick Sullivan, team general manager, Kiam said, "I think there will be changes in the *ultimate responsibility* at the Patriots." But afterward, Kiam was told by Paul Tagliabue, the NFL commissioner, *that he could not make* personnel changes until the league completes its investigation.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	86	73	.541	—
Toronto	85	74	.535	1
Detroit	77	82	.484	9
Cleveland	75	85	.469	11½
Baltimore	74	84	.468	11½
Milwaukee	72	87	.453	14
New York	66	93	.415	20

West Division

	W	L	Pct.	GB
x-Oakland	102	57	.642	—
Chicago	93	66	.585	9
Texas	82	77	.516	20
California	78	81	.491	24
Seattle	76	83	.478	26
Kansas City	75	84	.472	27
Minnesota	72	87	.453	30

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
x-Pittsburgh	94	65	.591	—
New York	89	70	.560	5
Montreal	82	77	.516	12
Philadelphia	76	83	.478	18
Chicago	75	84	.472	19
St. Louis	70	89	.440	24

West Division

	W	L	Pct.	GB
x-Cincinnati	89	70	.560	—
Los Angeles	84	75	.528	5
San Francisco	84	75	.528	5
Houston	74	85	.465	15
San Diego	74	85	.465	15
Atlanta	63	96	.396	26

x-clinched division title

Pennant Race

AMERICAN LEAGUE
East Division
Remaining Games

TORONTO (3) — Oct. 1, 2, 3 in Baltimore.
BOSTON (3) — Oct. 1, 2, 3 vs. Chicago.

Sunday's Line Scores

AMERICAN LEAGUE

Baltimore 000 111 300—6 12 0
Cleveland 000 000 003—3 6 0
Milacki, Bautista (8), Schilling (9), Olson (9) and Melvin; Swindell, M. Walker (7), Orosco (9) and Alomar. W—Milacki, 5-8. L—Swindell, 12-9. Sv—Olson (36).

Second Game

Baltimore 012 000 000—3 8 1
Cleveland 100 023 10x—7 13 1
D. Boone, Taylor (5), Mitchell (6), Smith (8) and Tettleton, *Melvin (8); Nagy, Olin (7),* Jones (8) and Skinner. W—Nagy, 2-4. L—Taylor, 0-1. Sv—Jones (42). HRs—Baltimore, Tettleton (14). Cleveland, Maldonado (22).

Minnesota 000 000 000—0 5 0
Detroit 010 000 00x—1 5 2
Guthrie and Harper; Terrell, Gleaton (9) and Rowland. W—Terrell, 6-4. L—Guthrie, 7-9. Sv—Gleaton (12).

Toronto 130 030 300—10 19 0
Boston 101 200 100— 5 10 2
Key, Acker (7), Henke (9) and Myers, Borders (2); Harris, Hesketh (2), Gardner (5), Gray (7), Irvine (7) and Pena. W—Key, 13-7. L—Hesketh, 0-4. HRs—Toronto, Felix (15). Boston, Brunansky (15).

Seattle 000 001 000—1 11 0
Chicago 000 002 00x—2 9 0
Delucia and Valle; McDowell, Thigpen (9) *and Fisk.* W—McDowell, 14-9. L—Delucia, 1-2. Sv—Thigpen (57).

New York 100 040 101—7 9 0
Milwaukee 010 100 000—2 6 1
Eiland, Cadaret (6) and Geren; Krueger, Edens (2), Machado (5), Lee (7), Crim (9) and Surhoff. W—Eiland, 2-1. L— Edens, 4-5. Sv—Cadaret (3). HR—Milwaukee, Vaughn (17).

Oakland 001 000 030—4 7 0
Texas 010 000 002—3 6 0
R. Harris, Chitren (7), Klink (9) and Hassey, Steinbach (8); *Ryan, Jeffcoat (8), Arnsberg* (8), Barfield (8), Mielke (8) and Petralli. W—Chitren, 1-0. L— Ryan, 13-9. Sv—Klink (1).

Kansas City 000 000 101—2 3 1
California 000 010 000—1 9 0
Appler, *Montgomery (9) and Mayne;* Lewis and Orton. W—Appler, 12-8. L— Lewis, 1-1. Sv—Montgomery (24). HR— Kansas City, Perry (8), Jackson (28).

NATIONAL LEAGUE

Philadelphia 000 101 000—2 5 0
Montreal 000 100 000—1 5 1
Mulholland and Daulton; Nabholz, Burke (9) and *Mercado.* W—*Mulholland, 9-10.* L—*Nabholz, 6-2. HR—Montreal, Grissom (3).*

Pittsburgh 000 000 020—2 6 0
St. Louis 000 000 000—0 3 0
Drabek and LaValliere, Slaught (8); Magrane, *La. Smith (9) and Pagnozzi.* W— Drabek, 22-6. L—Magrane, 10-17.

San Diego 100 100 010—3 6 1
Cincinnati 000 000 000—0 5 2
Lilliquist, *Harris (7) and* Lampkin; Rijo, Mahler (6), Layana (8), Armstrong (9) and Trevino. W—Lilliquist, 5-11. L— Rijo, 14-8. Sv—Harris (9).

Chicago 200 000 022—6 8 0
New York 000 031 100—5 9 1
Wilson, Pavlas (6), Nunez (8), Williams (9) and Berryhill; *Fernandez,* Whitehurst (6), Franco (8), Pena (9) and O'Brien. W—Nunez, 4-7. L—Franco, 5-3. Sv—Williams (15). HRs—Chicago, Dawson (27). New York, Reed (1).

Atlanta 000 000 020—2 4 3
Houston 040 000 02x—6 8 1
Glavine, Grant (7) and Olson; Portugal, Agosto (8), Clancy (8) and Biggio. W— Portugal, 11-10. L—Glavine, 10-12. Sv— Clancy (1).

Los Angeles 000 000 200—2 10 3
San Francisco 204 200 00x—8 9 0
Valenzuela, Holmes (5), Searage (7), Perry (8) and Scioscia, Hernandez (5), Lyons (7); Reuschel, Novoa (6) and Decker. W—Reuschel, 3-6. L—Valenzuela, 13-13. Sv—Novoa (1). HRs—San Francisco, Thompson (15). Los Angeles, Lyons (3).

Major League Leaders

AMERICAN LEAGUE

BATTING (440 at bats): Brett, Kansas City, .328; R. Henderson, Oakland, .326; Palmeiro, Texas, .320; Trammell, Detroit, .305; Boggs, *Boston,* .304.

RUNS: R. Henderson, Oakland, 116; Fielder, Detroit, 101; Reynolds, Seattle, 98; Yount, Milwaukee, 98; Franco, Texas, 95.

RBI: Fielder, Detroit, 127; Gruber, Toronto, 117; McGwire, Oakland, 108; J. Canseco, Oakland, 99; Sierra, Texas, 95.

HITS: Palmeiro, Texas, 187; Boggs, Boston, 185; Kelly, *New York, 180;* Griffey Jr, Seattle, 179; Brett, Kansas City, 178; Greenwell, Boston, 178.

DOUBLES: Brett, Kansas City, 45; Jo. Reed, Boston, 45; Boggs, Boston, 43; Calderon, Chicago, 43; Harper, Minnesota, 42.

TRIPLES: T. Fernandez, Toronto, 17; Sosa, Chicago, 10; L. Johnson, Chicago, 9; Liriano, Minnesota, 9; Burks, Boston, 8; Pettis, Texas, 8; Polonia, California, 8.

HOME RUNS: Fielder, Detroit, 49; McGwire, Oakland, 39; J. Canseco, Oakland, 37; McGriff, Toronto, 34; Gruber, Toronto, 31.

STOLEN BASES: R. Henderson, Oakland, 63; Kelly, New York, 42; Pettis, Texas, 38; Sax, New York, 38; Cole, Cleveland, 36; L. Johnson, Chicago, 36.

PITCHING (14 decisions): Welch, Oakland, 26-4, .813, 3.00; B. Jones, Chicago, 11-3, .786, 2.22; Clemens, Boston, 21-6, .778, 1.93; King, Chicago, 12-4, .750, 3.28; R. Robinson, Milwaukee, 12-4, .750, 2.84; *Stieb, Toronto, 18-6, .750, 2.95.*

STRIKEOUTS: Ryan, Texas, 232; B. Witt, Texas, 215; Clemens, Boston, 209; Hanson, Seattle, 204; Langston, California, 195.

SAVES: Thigpen, Chicago, 57; Eckersley, Oakland, 47; D. Jones, Cleveland, 42; Olson, Baltimore, 36; Righetti, New York, 35.

NATIONAL LEAGUE

BATTING (440 at bats): McGee, St. Louis, .335; *Magadan, New York, .330; Murray, Los Angeles, .324; Dykstra, Philadelphia, .322;* Roberts, San Diego, .312.

RUNS: Sandberg, Chicago, 115; Bonilla, Pittsburgh, 110; Butler, San Francisco, 105; *Bonds, Pittsburgh, 104; Dykstra, Philadelphia,* 104; Roberts, San Diego, 104.

RBI: *Ma. Williams,* San Francisco, 121; Bonilla, Pittsburgh, 118; J. Carter, San Diego, 115; Bonds, Pittsburgh, 114; Strawberry, New York, 108.

HITS: Butler, San Francisco, 189; Dykstra, Philadelphia, 188; *Sandberg,* Chicago, 187; Larkin, Cincinnati, 184; Wallach, Montreal, 182.

DOUBLES: Jefferies, New York, 40; Bonilla, Pittsburgh, 38; Sabo, Cincinnati, 38; H. Johnson, New York, 37; Roberts, San Diego, 36; Wallach, Montreal, 36.

TRIPLES: Duncan, Cincinnati, 11; T. Gwynn, San Diego, 10; Butler, San Francisco, 9; Coleman, St. Louis, 9; Dunston, Chicago, 8; La. Smith, Atlanta, 8.

HOME RUNS: Sandberg, Chicago, 39; Strawberry, New York, 37; Mitchell, San Francisco, 35; Bonds, Pittsburgh, 33; Ma. Williams, San Francisco, 33.

STOLEN BASES: Coleman, St. Louis, 77; Yelding, Houston, 63; Bonds, Pittsburgh, 52; *Nixon, Montreal, 49; Butler, San Francisco, 48.*

PITCHING (14 decisions): Drabek, Pittsburgh, 22-6, .786, 2.76; Gooden, New York, 19-6, .760, 3.67; R. Martinez, Los Angeles, 19-6, .760, 3.00; *Tudor, St. Louis, 12-4, .750, 2.40; Darwin,* Houston, 11-4, .733, 2.21.

STRIKEOUTS: Cone, New York, 221; R. *Martinez, Los Angeles,* 220; Gooden, New *York, 218; Fernandez, New York, 181; Viola,* New York, 177.

SAVES: Franco, New York, 33; Myers, Cincinnati, 30; Le. Smith, St. Louis, 27; Da. Smith, *Houston, 23; Lefferts, San Diego, 23.*

FOOTBALL

College Football Poll

The top 25 teams in The Associated Press college football poll, with first-place votes in parentheses, records through Sept. 29, total points based on 25 for a first-place vote through one for a 25th-place vote, and last week's rankings:

	Record	Pts	Pvs
1. Notre Dame (49)	3-0-0	1,489	1
2. Florida St. (10)	4-0-0	1,420	2
3. Michigan	2-1-0	1,296	6
4. Virginia (1)	5-0-0	1,244	7
5. Auburn	2-0-1	1,227	3
6. Tennessee	3-0-2	1,217	5
7. Oklahoma	4-0-0	1,129	9
8. Nebraska	4-0-0	1,106	8
9. Miami, Fla.	2-1-0	1,096	10
10. Florida	4-0-0	816	17
11. Brigham Young	4-1-0	779	4
12. Colorado	3-1-1	777	20
13. Houston	3-0-0	748	13
13. Illinois	2-1-0	748	14
15. Southern Cal	3-1-0	713	18
16. Clemson	4-1-0	636	19
17. Washington	3-1-0	580	12
18. Michigan St.	1-1-1	342	22
19. Texas A&M	3-1-0	338	11
20. Ohio St.	2-1-0	280	15
21. Arkansas	2-1-0	273	23
22. Oregon	3-1-0	257	—
23. Georgia Tech	3-0-0	197½	—
24. Fresno St.	5-0-0	193	24
25. Arizona	3-1-0	191	16

NFL Standings

AMERICAN CONFERENCE

East

	W	L	T	Pts	PF	PA
Buffalo	3	1	0	.750	92	73
Miami	3	1	0	.750	88	57
N.Y. Jets	2	2	0	.500	88	89
Indianapolis	1	3	0	.250	58	89
New England	1	3	0	.250	60	119

Central

	W	L	T	Pts	PF	PA
Cincinnati	3	0	0	1.000	87	43
Houston	2	2	0	.500	77	84
Cleveland	1	3	0	.250	48	85
Pittsburgh	1	3	0	.250	32	70

West

	W	L	T	Pts	PF	PA
LA Raiders	4	0	0	1.000	75	35
Kansas City	3	1	0	.750	98	48
Denver	2	2	0	.500	95	97
San Diego	1	3	0	.250	61	69
Seattle	0	3	0	.000	44	68

NATIONAL CONFERENCE

East

	W	L	T	Pts	PF	PA
N.Y. Giants	4	0	0	1.000	106	47
Washington	3	1	0	.750	101	51
Dallas	1	3	0	.250	56	92
Philadelphia	1	3	0	.250	91	95
Phoenix	1	3	0	.250	40	118

Central

	W	L	T	Pts	PF	PA
Chicago	3	1	0	.750	77	53
Tampa Bay	3	1	0	.750	98	96
Green Bay	2	2	0	.500	76	93
Detroit	1	3	0	.250	93	99
Minnesota	1	3	0	.250	89	69

West

	W	L	T	Pts	PF	PA
San Francisco	3	0	0	1.000	58	38
Atlanta	1	2	0	.333	74	67
LA Rams	1	2	0	.333	80	77
New Orleans	1	2	0	.333	43	52

SUNDAY'S RESULTS

New York Giants 31, Dallas 17
Buffalo 29, Denver 28
Green Bay 24, Detroit 21
Indianapolis 24, Philadelphia 23
Miami 28, Pittsburgh 6
Tampa Bay 23, Minnesota 20, OT
Los Angeles Raiders 24, Chicago 10
Kansas City 34, Cleveland 0
Houston 17, San Diego 7
New York Jets 37, New England 13
Washington 38, Phoenix 10

Monday's Game
Cincinnati at Seattle

CANADIAN FOOTBALL LEAGUE
Sunday's Results
Calgary 52, Ottawa 8
Saskatchewan 37, British Columbia 34

TENNIS

MEN'S TOURNAMENT
In Myrtle Beach, South Carolina
Final
Thomas Muster, Austria, def. Pete Sampras, U.S., 6-3, 6-4.

CRICKET

West Indies vs. England
One-Day Match, Sunday, in New York
West Indies: 302-5;
England: 249 (all out).

TRANSACTIONS

BASEBALL
American League

CALIFORNIA—Offered Joe Coleman, Deron Johnson, Bobby Knoop, Marcel Lachemann and Moose Stubing, coaches, contracts for 1991 season.

CLEVELAND—Exercised contract option of Brook Jacoby, third baseman, for 1991 season.

MILWAUKEE—Named Dernie Mainieri, Ron Rizzi and Steve Minor scouts.

SKIING

U.S. SKI TEAM—Fired Georg Capaul, men's slalom and giant slalom coach.

COLLEGE

SACRED HEART—Named Ed Swanson women's basketball and cross country coach.

GOLF

Top final scores from the Grand Prix of Europe played on the 6,883-yard, par-71, St. Pierre course in Chepstow, Wales:

Ian Woosnam, Wales	65-67-67-72—271
Mark McNulty, Zimbabwe	67-67-68-72-274
Jose Maria Olazabal, Spain	71-67-67-69—274
Brett Ogle, Australia	66-70-71-68—275
Ronan Rafferty, Nth. Ireland	72-71-65-67—275
Miguel Martin, Spain	75-72-63-65—275
Severiano Ballesteros, Spain	67-71-68-70—276
Colin Montgomerie, Scotland	65-72-70-69—276
Peter Fowler, Australia	70-69-69-68—276
Mark James, England	67-71-70-68—276
Bernhard Langer, W. Germany	71-68-70-67—276
Johan Rystrom, Sweden	73-69-68-66—276

Top final scores and prize money from the Southern Open, played on the 6,775-yard, par-70 Green Island Country Club course in Columbus, Georgia (x-won two-hole playoff):

x-Kenny Knox, $108,000	69-62-68-66—265
Jim Hallet, $64,800	68-66-65-66—265
Jim Booros, $40,800	67-67-68-66—268
Larry Nelson, $23,625	70-67-68-64—269
Tommy Moore, $23,625	69-68-65-67—269
David Peoples, $23,625	67-62-70-70—269
Jeff Wilson, $23,625	67-64-69-69—269
John Cook, $18,000	70-69-67-64—270
Bob Estes, $18,000	67-68-66-69—270

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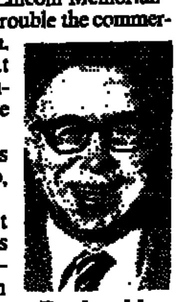
ART BUCHWALD

Limo to Bankruptcy

WASHINGTON — We had an international bankers conference in Washington last week. Bankers from all over the world attended and they seemed to be doing very well. How do I know this? Their limousines were lined up, bumper to bumper, from the Capitol to the Lincoln Memorial.

With all the trouble the commercial banks are in, I thought that the limo population would have decreased.


Buchwald

But it seems to have gone up, not down.

I mentioned it to Sam, who was one of the drivers waiting in front of the Four Seasons.

"I'm surprised to see so many bankers tooling around in their stretch automobiles," I said.

"You can't have a stable banking system without limos," he told me. "This is the most important monetary conference in the world and people are judged by the length of their vehicles."

□

"So the bank scare has no effect on a banker's transportation."

"It does, but only in this respect: If a distinguished banker is seen in a sedan or, God forbid, driving his own car, word immediately gets out that his bank is in a lot of trouble. Therefore, in order to avoid rumors, those in severe financial distress put all their money into hired limousines. The banker I'm driving for had to lay off 10,000 employees last week, but he still insisted on having television and a telephone in his car."

"That's smart because it means that as long as you keep moving, nobody can guess what kind of shape your institution is in. Do people actually conduct business in the back of their limousines?"

"Yes, they do," Sam said. "That's why I keep a bar back there in case they close a deal and want to drink to it."

□

"This bothers me. If every banker has a limousine, who rides with whom?"

"That does present a problem. I've had people on their knees in my car who want to borrow money from my client, and I've seen my client float a loan while sitting on the other guy's jump seat. The rule of thumb is that a banker gets a lot more respect if he can stay in his own limousine with a rug over his legs."

"Do bankers get a lot of business done on the telephone?" I asked.

"Some, but you have to remember it costs $2 a minute to call from a limo, and not too many bankers can afford that."

□

"As a driver you must be the confidant of the person you work for."

Sam smiled, "No banker is a hero to his chauffeur."

"What kind of secrets do you share?"

He whispered, "Things like how near Donald Trump is to jumping off the Trump Tower."

"That's heavy," I said.

"My client's bank made some terrible real estate loans last year."

"He told you that!"

"Yup, just the other day on our way to the Federal Deposit Insurance Corporation, where we had hoped to negotiate a bailout."

"That's interesting. Where did you park?"

Sam replied, "The FDIC always provides free limousine parking to bankers who are going down the sewer."

Good Grief! 'Peanuts' Is 40

The Associated Press

NEW YORK — Good grief! The "Peanuts" gang is 40.

The images are embedded in popular culture: Charlie Brown trying to kick a football, Snoopy gunning for the Red Baron and Lucy dispensing psychiatric advice for a price.

On Oct. 2, 1950, "Peanuts," the creation of Charles M. Schulz, debuted in seven newspapers. The strip now appears in 2,300 newspapers and reaches more than 200 million readers a day in 68 countries. Schulz, 67, still draws the strip himself.

Celebrations of the comic strip's 40th anniversary include a jazz concert at Carnegie Hall, a party at the Natural History Museum of Los Angeles and an exhibit at the Smithsonian Institution.

Groucho: He Was the Serious One!

By Alan Furst
International Herald Tribune

BORN Julius Henry Marx in 1890, Groucho Marx would have been 100 years old on Tuesday.

"Groucho used to put on his beret and reminisce about the reception he was given at the 1972 Cannes festival where he was 'Grooo-sho.' He enjoyed the elongated French pronunciation of his name."

—Charlotte Chandler, "Groucho et ses amis"

□

"The only ambitions I ever nourished were to be left fielder for the New York Giants, a full-time tin-can swinger for an umbrella mender, or a piano player on an excursion boat. I never achieved any of these ambitions. What I actually became was what I was driven to to be in a time of disaster. The rock-bottom point of my early life was that time I went onstage and disgraced myself in company of my brothers and in front of the public, at Coney Island. I became, therefore, an entertainer. Nothing that I could have done could have frightened me more.

"Nobody heard me sing in the quartet that night. . . . It was all I could do to open my mouth at approximately the same time that Groucho, Lou and Gummo opened their mouths. But I sang, a voiceless swan song. I sang farewell to the streets of the East Side, to hustling and swindling ticket-choppers, farewell to happy-go-lucky, hired-today-and-fired-tomorrow wandering from job to job. . . . Like it or not, I was in show business for the rest of my days. At the age of 14, I didn't like it a bit."

—Harpo Marx, "Harpo Speaks"

□

"According to show business legend, monologist Art Fisher coined the nicknames by which the Marx Brothers would forever be known during a poker game backstage in Galesburg, Illinois. A popular comic strip of the time was 'Sherlocko the Monk,' and vaudeville as a result was infected with Henpeckos, Tightwados and Nervos. As Fisher was dealing, he said 'This one's for you, Harpo,' to Arthur, whom he knew to play the harp. (Adolf had anticipated the anti-German sentiment of the coming [1914] world war and changed his name to Arthur a couple of years previously.)

"'This one's for you, Gummo,' Fisher continued. Milton always wore gumshoes, or rubbers, to help ward off colds.

"Leonard became Chicko. 'Chickens' were girls. (The K was dropped because of a typesetter's error. Chico liked the look of it and kept the new spelling.)

Groucho Marx, left, and his brothers in a scene from the 1935 film "A Night at the Opera."

"Groucho was the serious one, Fisher felt, and apparently not a model of good cheer."

—Hector Arce, "Groucho"

□

"The brothers were playing Keith's Riverside in New York in 1921 when Groucho's son (Arthur) was born at Lenox Hospital. . . . In later years, Groucho would say that the greasepaint mustache had its origin when, overstaying his hospital visit with Ruth (his wife) one night, he arrived at the theater too late to paste on his mustache, and smeared on some greasepaint instead."

—Arce

□

BARAVELLI (Chico): Hey, I tell you what I do. I give you three guesses. It's the name of a fish.

WAGSTAFF (Groucho): Is it Mary?

BARAVELLI: (Laughs) 'At's no fish.

WAGSTAFF: She isn't? Well, she drinks like one. Let me see, is it sturgeon?

BARAVELLI: Hey, you crazy? Sturgeon's a doctor cuts you open when you're sick. Now, I give you one more chance.

WAGSTAFF: I got it! Haddock.

BARAVELLI: 'At's funny. I gotta haddock too.

WAGSTAFF: What do you take for a haddock?

BARAVELLI: Well, sometimes I take-a aspirin.

—"Horse Feathers,"
Universal City Studios, 1932

□

MRS. TEASDALE (Margaret Dumont): As chairman of the reception committee, I welcome you with open arms.

RUFUS T. FIREFLY (Groucho): Is that so? How late do you stay open?

MRS. TEASDALE: I've sponsored your appointment because I feel you are the most able statesman in all Freedonia.

FIREFLY: Well, that covers a lot of ground. Say, you cover a lot yourself. You better beat it, I hear they're going to tear you down and put up an office building where you're standing. You can leave in a taxi. If you can't get a taxi you can leave in a huff. If that's too soon, you can leave in a minute and a huff. You know you haven't stopped talking since I came here?

—"Duck Soup,"
Universal City Studios, 1933

□

June 1964

Dear Gummo,

Last night Eden and I had dinner with my celebrated pen pal, T. S. Eliot. . . . Your correspondent arrived at the Eliots fully prepared for a literary evening. During the week I had read 'Murder in the Cathedral' twice; 'The Waste Land' three times, and just in case of a conversational bottleneck, I brushed up on 'King Lear.'

Well, sir, as cocktails were served, there was a momentary lull. I tossed in a quotation from 'The Waste Land.' That, I thought, will show him I've read a thing or two besides my press notices from vaudeville.

Eliot smiled faintly — as though to say he was thoroughly familiar with his poems and didn't need me to recite them. So I took a whack at 'King Lear.' . . . That, too, failed to bowl over the poet. He seemed more interested in discussing 'Animal Crackers' and 'A Night at the Opera.' He quoted a joke — one of mine — that I had long since forgotten. Now it was my turn to smile faintly. I was not going to let anyone — not even the British poet from St. Louis — spoil my Literary Evening.

Yours,
Groucho
"The Groucho Letters"

□

"At his last birthday, Groucho raised his glass of pink lemonade and said 'I'm as young as the day is long, and this has been a very short day. Nothing lasts forever.' At that moment, I thought — except the Marx Brothers. Captain Jeffrey T. Spaulding, Professor Quincy Adams Wagstaff, Impressario Otis B. Driftwood, and Dr. Hugo Z. Hackenbush are forever young."

—Chandler, "Hello, I Must Be Going"

PEOPLE

Almodóvar Hopes NC-17 Will Untie X-rated Film

The award-winning Spanish director, **Pedro Almodóvar**, whose latest film received an X rating in the United States said he hopes the recent change in classifying adult-oriented movies NC-17 will bring his work to a wider American audience. "*Tie Me Up! Tie Me Down!*" the 38-year-old director's seventh feature film, was rated X earlier this year by the Motion Picture Association of America because of the movie's sexual scenes.

□

The British author **A. S. Byatt** was awarded the most valuable of The Irish Times-Aer Lingus Literature Prizes for 1990. She won the international fiction prize worth 25,000 Irish punts (about $43,000) for her novel, "Possession." The Irish writer **John McGahern** won the literature Prize worth 10,000 punts for his novel, "Amongst Women." **Ciaran Carson**'s poems "Belfast Confetti" won the prize for poetry, also worth 10,000 punts.

□

Washington Post reporter **Caryle Murphy**, who spent 26 days reporting from secret locations in Kuwait after Iraqi soldiers invaded the Gulf nation on Aug. 2, will be one of four women to receive Courage in Journalism Awards by the International Women's Media Foundation. The other winners are **Maria Jimena Duzan** of Colombia, who "frequently faced the dangers of writing about drugs in her country as a correspondent for the newspaper El Espectador"; **Florica Ichim** of Romania, who is reporting from hiding for Romania's largest opposition newspaper, Romania Libera; and **Lilyanne Pierre Paul** of Haiti, a correspondent for Radio Haiti Inter who was an outspoken critic of the *Duvalier* regime and subsequent Haitian governments.

□

Seventy-six paintings seized from **Imelda** and **Ferdinand Marcos** are not worth the multimillion-dollar price tag placed on them for auction, an arts magazine says. Experts quoted in ARTNews said the paintings are not worth the $8.6 million to $12.5 million Christie's auction house estimated they will bring at a sale in January. Christie's stood by the estimates. The paintings were seized by the Philippines government after Marcos was deposed in 1986.

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